

## Total Statewide Expenditures

	FY 2007 Actual	FY 2008 Actual	FY 2009 Enacted	FY 2009 Revised	Change from Enacted
<b>Expenditure by Function</b>					
General Government	1,371,456,271	1,479,800,667	1,399,001,972	1,487,585,831	88,583,859
Human Services	2,511,260,708	2,733,791,043	2,619,779,683	2,651,691,055	31,911,372
Education	1,834,653,377	1,911,308,185	2,001,032,898	1,937,367,206	(63,665,692)
Public Safety	396,232,777	416,940,877	433,540,453	447,318,726	13,778,273
Natural Resources	81,718,031	77,052,125	95,672,816	88,728,716	(6,944,100)
Transportation	368,686,783	300,064,299	370,026,380	368,585,249	(1,441,131)
<b>Total Expenditures</b>	<b>\$6,564,007,947</b>	<b>\$6,918,957,196</b>	<b>\$6,919,054,202</b>	<b>\$6,981,276,783</b>	<b>\$62,222,581</b>
<b>Expenditure by Object</b>					
Personnel	1,548,932,392	1,612,061,432	1,551,437,172	1,576,762,948	25,325,776
Operating Supplies and Expenses	597,506,306	627,916,158	616,353,794	624,579,331	8,225,537
Aid to Local Units of Government	1,199,134,118	1,255,087,552	1,311,622,344	1,156,802,369	(154,819,975)
Assistance, Grants, and Benefits	2,733,181,986	2,968,409,829	2,831,708,871	3,043,971,309	212,262,438
<b>Subtotal: Operating Expenditures</b>	<b>\$6,078,754,802</b>	<b>\$6,463,474,971</b>	<b>\$6,311,122,181</b>	<b>\$6,402,115,957</b>	<b>\$90,993,776</b>
Capital Purchases and Equipment	172,572,784	107,242,835	242,745,083	247,847,936	5,102,853
Debt Service	179,105,503	201,343,171	228,237,487	209,881,053	(18,356,434)
Operating Transfers	133,574,858	146,896,219	136,949,451	121,431,837	(15,517,614)
<b>Total Expenditures</b>	<b>\$6,564,007,947</b>	<b>\$6,918,957,196</b>	<b>\$6,919,054,202</b>	<b>\$6,981,276,783</b>	<b>\$62,222,581</b>
<b>Expenditures by Funds</b>					
General Revenue	3,217,760,939	3,394,844,107	3,276,156,221	3,086,404,059	(189,752,162)
Federal Funds	1,865,772,375	1,941,142,773	1,997,927,181	2,118,648,424	120,721,243
Restricted Receipts	102,488,986	135,334,674	152,502,978	150,468,710	(2,034,268)
Other Funds	1,377,985,647	1,447,635,642	1,492,467,822	1,625,755,590	133,287,768
<b>Total Expenditures</b>	<b>\$ 6,564,007,947</b>	<b>\$ 6,918,957,196</b>	<b>\$ 6,919,054,202</b>	<b>\$ 6,981,276,783</b>	<b>\$ 62,222,581</b>
<b>Total FTE Complement</b>	<b>15,321.7</b>	<b>14,903.7</b>	<b>14,573.6</b>	<b>13,671.8</b>	<b>(901.8)</b>
<b>Enacted Reduction</b>			<b>(400.0)</b>	<b>-</b>	<b>400.0</b>
<b>Higher Education Sponsored Research</b>	<b>785.0</b>	<b>785.0</b>	<b>785.0</b>	<b>785.0</b>	<b>-</b>
<b>Total Personnel</b>	<b>16,106.7</b>	<b>15,688.7</b>	<b>14,958.6</b>	<b>14,456.8</b>	<b>(501.8)</b>

## General Government Function Expenditures

	FY 2007 Actual	FY 2008 Actual	FY 2009 Enacted	FY 2009 Revised	Change from Enacted
<b>Expenditure by Object</b>					
Personnel	224,697,506	228,669,906	151,774,784	185,860,723	34,085,939
Operating Supplies and Expenses	262,147,625	300,759,940	272,736,805	267,391,492	(5,345,313)
Aid To Local Units Of Government	258,308,439	242,994,334	246,618,570	186,982,120	(59,636,450)
Assistance, Grants and Benefits	429,651,887	486,499,701	473,595,008	610,583,457	136,988,449
<b>Subtotal: Operating Expenditur</b>	<b>\$1,174,805,457</b>	<b>\$1,258,923,881</b>	<b>\$1,144,725,167</b>	<b>\$1,250,817,792</b>	<b>\$106,092,625</b>
Capital Purchases and Equipment	9,937,896	10,763,475	39,052,994	38,684,128	(368,866)
Debt Service	158,682,369	170,300,361	189,600,517	175,885,723	(13,714,794)
Operating Transfers	28,030,549	39,812,950	25,623,294	22,198,188	(3,425,106)
<b>Total Expenditures</b>	<b>\$1,371,456,271</b>	<b>\$1,479,800,667</b>	<b>\$1,399,001,972</b>	<b>\$1,487,585,831</b>	<b>\$88,583,859</b>
<b>Expenditures by Funds</b>					
General Revenue	569,010,351	622,390,322	569,188,538	515,255,630	(53,932,908)
Federal Funds	80,255,372	73,079,036	74,306,309	104,849,728	30,543,419
Restricted Receipts	51,789,974	74,972,766	72,595,908	73,227,505	631,597
Other Funds	670,400,574	709,358,543	682,911,217	794,252,968	111,341,751
<b>Total Expenditures</b>	<b>\$1,371,456,271</b>	<b>\$1,479,800,667</b>	<b>\$1,399,001,972</b>	<b>\$1,487,585,831</b>	<b>\$88,583,859</b>
<b>FTE Authorization</b>	<b>2,692.3</b>	<b>2,601.7</b>	<b>2,497.4</b>	<b>2,299.2</b>	<b>(198.2)</b>

## Human Services Function Expenditures

	FY 2007 Actual	FY 2008 Actual	FY 2009 Enacted	FY 2009 Revised	Change from Enacted
<b>Expenditure by Object</b>					
Personnel	417,447,024	421,384,396	414,519,473	401,243,620	(13,275,853)
Operating Supplies and Expenses	59,667,373	69,222,800	81,026,606	78,488,975	(2,537,631)
Aid to Local Units of Government	7,922,386	-	-	-	-
Assistance, Grants, and Benefits	2,017,780,629	2,231,716,599	2,095,858,313	2,146,643,405	50,785,092
<b>Subtotal: Operating Expenditures</b>	<b>\$2,502,817,412</b>	<b>\$2,722,323,795</b>	<b>\$2,591,404,392</b>	<b>\$2,626,376,000</b>	<b>\$34,971,608</b>
Capital Purchases and Equipment	4,182,265	3,265,545	19,578,273	17,592,791	(1,985,482)
Debt Service	-	-	-	-	-
Operating Transfers	4,261,031	8,201,703	8,797,018	7,722,264	(1,074,754)
<b>Total Expenditures</b>	<b>\$2,511,260,708</b>	<b>\$2,733,791,043</b>	<b>\$2,619,779,683</b>	<b>\$2,651,691,055</b>	<b>\$31,911,372</b>
<b>Expenditures by Funds</b>					
General Revenue	1,183,730,370	1,253,712,256	1,179,029,762	1,151,844,198	(27,185,564)
Federal Funds	1,302,121,524	1,442,287,464	1,381,115,866	1,444,165,681	63,049,815
Restricted Receipts	18,136,093	28,752,772	42,458,014	41,622,325	(835,689)
Other Funds	7,272,721	9,038,551	17,176,041	14,058,851	(3,117,190)
<b>Total Expenditures</b>	<b>\$2,511,260,708</b>	<b>\$2,733,791,043</b>	<b>\$2,619,779,683</b>	<b>\$2,651,691,055</b>	<b>\$31,911,372</b>
 <b>FTE Authorization</b>	 <b>4,264.0</b>	 <b>4,020.9</b>	 <b>3,825.3</b>	 <b>3,474.1</b>	 <b>(351.2)</b>

## Education Function Expenditures

	FY 2007 Actual	FY 2008 Actual	FY 2009 Enacted	FY 2009 Revised	Change from Enacted
<b>Expenditure by Object</b>					
Personnel	451,746,297	482,811,398	500,711,972	515,977,353	15,265,381
Operating Supplies and Expenses	177,196,785	176,689,273	167,099,167	178,817,445	11,718,278
Aid to Local Units of Government	932,870,138	1,012,093,218	1,065,003,774	969,820,249	(95,183,525)
Assistance, Grants, and Benefits	228,156,083	191,813,675	184,406,344	205,419,702	21,013,358
<b>Subtotal: Operating Expenditure</b>	<b>\$1,789,969,303</b>	<b>\$1,863,407,564</b>	<b>\$1,917,221,257</b>	<b>\$1,870,034,749</b>	<b>(\$47,186,508)</b>
Capital Purchases and Equipment	15,696,268	8,396,156	31,071,436	33,212,127	2,140,691
Debt Service	20,423,134	31,042,810	38,636,970	33,995,330	(4,641,640)
Operating Transfers	8,564,672	8,461,655	14,103,235	125,000	(13,978,235)
<b>Total Expenditures</b>	<b>\$1,834,653,377</b>	<b>\$1,911,308,185</b>	<b>\$2,001,032,898</b>	<b>\$1,937,367,206</b>	<b>(\$63,665,692)</b>
<b>Expenditures by Funds</b>					
General Revenue	1,090,514,113	1,114,106,052	1,124,030,988	1,021,742,522	(102,288,466)
Federal Funds	187,295,262	190,717,542	208,833,496	220,664,581	11,831,085
Restricted Receipts	5,592,360	7,414,377	8,899,340	8,529,511	(369,829)
Other Funds	551,251,642	599,070,214	659,269,074	686,430,592	27,161,518
<b>Total Expenditures</b>	<b>\$1,834,653,377</b>	<b>\$1,911,308,185</b>	<b>\$2,001,032,898</b>	<b>\$1,937,367,206</b>	<b>(\$63,665,692)</b>
FTE Authorization	3,987.8	3,979.2	3,926.3	3,799.8	(126.5)
Sponsored Research Positions	785.0	785.0	785.0	785.0	-
FTE Total	4,772.8	4,764.2	4,711.3	4,584.8	(126.5)

## Public Safety Function Expenditures

	FY 2007 Actual	FY 2008 Actual	FY 2009 Enacted	FY 2009 Revised	Change from Enacted
<b>Expenditure by Object</b>					
Personnel	288,633,693	330,601,512	328,749,738	324,215,076	(4,534,662)
Operating Supplies and Expenses	40,553,973	38,318,657	41,277,312	42,497,607	1,220,295
Aid to Local Units of Government	-	-	-	-	-
Assistance, Grants, and Benefits	46,562,946	39,457,316	40,585,811	51,570,787	10,984,976
<b>Subtotal: Operating Expenditures</b>	<b>\$375,750,612</b>	<b>\$408,377,485</b>	<b>\$410,612,861</b>	<b>\$418,283,470</b>	<b>\$7,670,609</b>
Capital Purchases and Equipment	20,482,165	8,563,392	22,927,592	29,035,256	6,107,664
Debt Service	-	-	-	-	-
Operating Transfers	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$396,232,777</b>	<b>\$416,940,877</b>	<b>\$433,540,453</b>	<b>\$447,318,726</b>	<b>\$13,778,273</b>
<b>Expenditures by Funds</b>					
General Revenue	332,709,670	365,391,437	364,871,844	360,163,947	(4,707,897)
Federal Funds	41,714,268	31,604,658	35,345,269	50,816,445	15,471,176
Restricted Receipts	10,099,130	10,524,748	10,440,595	11,620,415	1,179,820
Other Funds	11,709,709	9,420,034	22,882,745	24,717,919	1,835,174
<b>Total Expenditures</b>	<b>\$396,232,777</b>	<b>\$416,940,877</b>	<b>\$433,540,453</b>	<b>\$447,318,726</b>	<b>\$13,778,273</b>
<b>FTE Authorization</b>	<b>3,046.6</b>	<b>3,050.7</b>	<b>3,086.4</b>	<b>2,967.5</b>	<b>(118.9)</b>

## Natural Resources Function Expenditures

	FY 2007 Actual	FY 2008 Actual	FY 2009 Enacted	FY 2009 Revised	Change from Enacted
<b>Expenditure by Object</b>					
Personnel	61,399,373	56,846,696	58,840,566	55,927,495	(2,913,071)
Operating Supplies and Expenses	9,133,379	9,140,185	9,796,707	10,376,416	579,709
Aid to Local Units of Government	33,155	-	-	-	-
Assistance, Grants, and Benefits	5,396,286	5,564,886	10,281,432	6,151,918	(4,129,514)
<b>Subtotal: Operating Expenditure</b>	<b>\$75,962,193</b>	<b>\$71,551,767</b>	<b>\$78,918,705</b>	<b>\$72,455,829</b>	<b>(\$6,462,876)</b>
Capital Purchases and Equipment	5,755,838	5,500,358	16,754,111	16,272,887	(481,224)
Debt Service	-	-	-	-	-
Operating Transfers	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$81,718,031</b>	<b>\$77,052,125</b>	<b>\$95,672,816</b>	<b>\$88,728,716</b>	<b>(\$6,944,100)</b>
<b>Expenditures by Funds</b>					
General Revenue	41,796,435	39,244,040	39,035,089	37,397,762	(1,637,327)
Federal Funds	23,043,344	19,471,219	34,888,888	32,082,513	(2,806,375)
Restricted Receipts	15,419,611	13,830,680	16,661,875	14,018,954	(2,642,921)
Other Funds	1,458,641	4,506,186	5,086,964	5,229,487	142,523
<b>Total Expenditures</b>	<b>\$81,718,031</b>	<b>\$77,052,125</b>	<b>\$95,672,816</b>	<b>\$88,728,716</b>	<b>(\$6,944,100)</b>
<b>FTE Authorization</b>	<b>544.3</b>	<b>518.0</b>	<b>509.0</b>	<b>440.0</b>	<b>(69.0)</b>

## Transportation Function Expenditures

	FY 2007 Actual	FY 2008 Actual	FY 2009 Enacted	FY 2009 Revised	Change from Enacted
<b>Expenditure by Object</b>					
Personnel	105,008,499	91,747,524	96,840,639	93,538,681	(3,301,958)
Operating Supplies and Expenses	48,807,171	33,785,303	44,417,197	47,007,396	2,590,199
Aid to Local Units of Government	-	-	-	-	-
Assistance, Grants, and Benefits	5,634,155	13,357,652	26,981,963	23,602,040	(3,379,923)
<b>Subtotal: Operating Expenditur</b>	<b>\$159,449,825</b>	<b>\$138,890,479</b>	<b>\$168,239,799</b>	<b>\$164,148,117</b>	<b>(\$4,091,682)</b>
Capital Purchases and Equipment	116,518,352	70,753,909	113,360,677	113,050,747	(309,930)
Debt Service	-	-	-	-	-
Operating Transfers	92,718,606	90,419,911	88,425,904	91,386,385	2,960,481
<b>Total Expenditures</b>	<b>\$368,686,783</b>	<b>\$300,064,299</b>	<b>\$370,026,380</b>	<b>\$368,585,249</b>	<b>(\$1,441,131)</b>
 <b>Expenditures by Funds</b>					
General Revenue	-	-	-	-	-
Federal Funds	231,342,605	183,982,854	263,437,353	266,069,476	2,632,123
Restricted Receipts	1,451,818	(160,669)	1,447,246	1,450,000	2,754
Other Funds	135,892,360	116,242,114	105,141,781	101,065,773	(4,076,008)
<b>Total Expenditures</b>	<b>\$368,686,783</b>	<b>\$300,064,299</b>	<b>\$370,026,380</b>	<b>\$368,585,249</b>	<b>(\$1,441,131)</b>
 <b>FTE Authorization</b>	<b>786.7</b>	<b>733.2</b>	<b>729.2</b>	<b>691.2</b>	<b>(38.0)</b>

## Expenditures from All Funds

	FY2007 Actual	FY 2008 Prelim Actual	FY 2009 Enacted	FY 2009 Revised
<b>General Government</b>				
Administration(1)	\$596,272,093	\$617,454,122	\$560,884,005	\$558,067,339
Business Regulation	11,619,330	11,812,170	11,663,704	11,102,841
Labor and Training	446,997,207	499,662,135	484,805,942	599,451,514
Revenue(1)	233,997,809	254,603,213	249,139,675	230,539,728
Legislature	32,350,516	33,829,223	35,615,553	34,959,668
Lieutenant Governor	874,724	850,412	901,418	860,771
Secretary of State	7,397,017	6,819,947	7,403,864	7,116,890
General Treasurer	24,775,355	39,662,095	31,489,283	28,244,370
Board of Elections	4,392,090	1,926,493	2,175,218	2,047,960
Rhode Island Ethics Commission	1,222,289	1,343,029	1,405,309	1,409,450
Governor's Office	4,738,217	4,957,880	5,158,611	5,423,356
Commission for Human Rights	1,247,126	1,340,711	1,382,968	1,404,873
Public Utilities Commission	5,473,869	5,433,284	6,869,214	6,848,694
Rhode Island Commission on Women	98,629	105,953	107,208	108,377
<b>Subtotal - General Government</b>	<b>\$1,371,456,271</b>	<b>\$1,479,800,667</b>	<b>\$1,399,001,972</b>	<b>\$1,487,585,831</b>
<b>Human Services</b>				
Office of Health & Human Services	640,980	3,848,200	14,787,081	9,177,630
Children, Youth, and Families	311,770,978	229,231,687	209,941,252	249,960,644
Elderly Affairs	35,951,870	34,383,268	33,579,723	34,182,080
Health	104,636,983	126,540,548	125,977,776	132,879,780
Human Services	1,574,255,610	1,848,215,882	1,775,282,036	1,762,099,512
Mental Health, Retardation, & Hospitals	481,493,543	489,441,696	457,490,509	461,078,238
Governor's Commission on Disabilities	845,947	541,108	911,985	946,391
Commission On Deaf and Hard of Hearing	306,372	288,790	368,807	371,300
State Council on Developmental Disabilities	421,932	395,288	450,543	-
Office of the Child Advocate	551,198	485,449	558,800	554,997
Office of the Mental Health Advocate	385,295	419,127	431,171	440,483
<b>Subtotal - Human Services</b>	<b>\$2,511,260,708</b>	<b>\$2,733,791,043</b>	<b>\$2,619,779,683</b>	<b>\$2,651,691,055</b>
<b>Education</b>				
Elementary and Secondary	1,067,364,090	\$1,091,920,840	1,145,530,047	1,058,064,322
Higher Education - Board of Governors(2)	734,735,310	784,746,691	819,589,009	837,263,828
RI Council on the Arts	2,922,282	2,934,389	3,275,655	3,226,450
RI Atomic Energy Commission	1,087,486	1,474,561	1,532,900	1,175,653
Higher Education Assistance Authority	23,939,108	25,921,955	26,649,807	32,959,393
Historical Preservation and Heritage Comm.	2,209,943	2,195,180	2,323,114	3,428,051
Public Telecommunications Authority	2,395,158	2,114,570	2,132,366	1,249,509
<b>Subtotal - Education</b>	<b>\$1,834,653,377</b>	<b>\$1,911,308,186</b>	<b>\$2,001,032,898</b>	<b>\$1,937,367,206</b>



## Expenditures from All Funds

	FY2007 Actual	FY 2008 Prelim Actual	FY 2009 Enacted	FY 2009 Revised
<b>Public Safety</b>				
Attorney General	21,914,608	\$22,873,248	23,731,514	24,300,913
Corrections	170,117,176	193,334,193	186,497,239	187,367,618
Judicial(3)	91,679,516	94,506,549	97,349,720	96,723,382
Military Staff	32,572,998	23,773,582	28,419,792	39,893,059
Public Safety(4)	71,170,055	73,150,506	87,825,459	89,390,116
Fire Safety Code Board of Appeal & Review(1)	-	-	-	-
Office Of Public Defender	8,778,424	9,302,799	9,716,729	9,643,638
<b>Subtotal - Public Safety</b>	<b>\$396,232,777</b>	<b>\$416,940,877</b>	<b>\$433,540,453</b>	<b>\$447,318,726</b>
<b>Natural Resources</b>				
Environmental Management	76,027,147	69,941,524	88,958,152	83,058,755
Coastal Resources Management Council	3,897,901	5,474,935	5,236,662	4,088,463
Water Resources Board	1,792,983	1,635,666	1,478,002	1,581,498
<b>Subtotal - Natural Resources</b>	<b>\$81,718,031</b>	<b>\$77,052,125</b>	<b>\$95,672,816</b>	<b>\$88,728,716</b>
<b>Transportation</b>				
Transportation	368,686,783	300,064,298	370,026,380	368,585,249
<b>Subtotal - Transportation</b>	<b>\$ 368,686,783</b>	<b>\$300,064,298</b>	<b>\$370,026,380</b>	<b>\$368,585,249</b>
<b>Total</b>	<b>\$6,564,007,947</b>	<b>\$ 6,918,957,196</b>	<b>\$ 6,919,054,202</b>	<b>\$ 6,981,276,783</b>

(1) Department of Administration history adjusted for Taxation and Division of Motor Vehicles transferred in FY2007 to new Department of Revenue. In FY 2009 Fire Code Board was moved to Department of Administration.

(2) Higher Education expenditures for FY 2008 are understated and do not reflect audited expenditures from the Board of Governors. Actual FY 2008 expenditures will be available upon completion of audit.

(3) Judicial includes Judicial Tenure and Discipline.

(4) Agencies merged with Department of Public Safety include State Police, Fire Marshal, E-911 Emergency Telephone System, Municipal Police Training Academy, Capitol Police, and the Governor's Justice Commission.

## Expenditures from General Revenues

	FY2007 Actual	FY 2008 Prelim Actual	FY 2009 Enacted	FY 2009 Revised
<b>General Government</b>				
Administration(1)	\$464,765,390	\$520,058,765	\$461,660,272	\$413,385,631
Business Regulation	10,859,698	10,333,679	10,118,066	9,307,245
Labor and Training	7,146,778	6,377,174	6,513,092	6,696,080
Revenue(1)	34,528,687	35,086,502	37,849,916	33,254,816
Legislature	30,941,664	32,377,685	34,099,202	33,451,335
Lieutenant Governor	874,724	850,412	901,418	860,771
Secretary of State	6,150,445	5,488,114	6,307,144	6,407,527
General Treasurer	2,636,773	2,668,892	2,563,767	2,465,934
Board of Elections	3,625,842	1,315,331	1,512,874	1,552,690
Rhode Island Ethics Commission	1,222,289	1,343,029	1,405,309	1,409,450
Governor's Office	4,672,436	4,957,880	5,158,611	5,423,356
Commission for Human Rights	987,833	951,872	991,659	932,418
Public Utilities Commission	499,163	475,034	-	-
Rhode Island Commission on Women	98,629	105,953	107,208	108,377
<b>Subtotal - General Government</b>	<b>\$569,010,351</b>	<b>\$622,390,322</b>	<b>\$569,188,538</b>	<b>\$515,255,630</b>
<b>Human Services</b>				
Office of Health & Human Services	250,294	363,333	5,223,297	3,790,550
Children, Youth, and Families	189,391,302	151,279,154	137,133,720	166,886,395
Elderly Affairs and Advocacy(2)	18,809,664	16,969,063	16,071,786	14,537,499
Health	31,490,514	29,985,420	32,281,674	30,782,216
Human Services	703,752,922	811,658,229	767,224,135	725,271,695
Mental Health, Retardation, & Hospitals	238,316,374	241,952,595	219,361,864	208,861,756
Governor's Commission on Disabilities	518,631	350,480	413,651	387,862
Commission of the Deaf and Hard of Hearing	301,850	289,412	368,807	371,300
Office of the Child Advocate	513,524	445,443	519,657	514,442
Office of the Mental Health Advocate	385,295	419,127	431,171	440,483
<b>Subtotal - Human Services</b>	<b>\$1,183,730,370</b>	<b>\$1,253,712,256</b>	<b>\$1,179,029,762</b>	<b>\$1,151,844,198</b>
<b>Education</b>				
Elementary and Secondary	888,448,123	908,146,667	931,218,471	836,349,028
Higher Education - Board of Governors	189,489,620	189,982,771	179,856,018	172,860,842
RI Council on the Arts	2,112,363	2,111,963	2,094,847	1,905,796
RI Atomic Energy Commission	827,654	834,101	824,470	786,847
Higher Education Assistance Authority	6,708,495	10,219,792	7,323,051	7,292,984
Historical Preservation and Heritage Comm.	1,615,594	1,494,562	1,348,825	1,297,516
Public Telecommunications Authority	1,312,264	1,316,196	1,365,306	1,249,509
<b>Subtotal - Education</b>	<b>\$1,090,514,113</b>	<b>\$1,114,106,052</b>	<b>\$1,124,030,988</b>	<b>\$1,021,742,522</b>

## Expenditures from General Revenues

	FY2007 Actual	FY 2008 Prelim Actual	FY 2009 Enacted	FY 2009 Revised
<b>Public Safety</b>				
Attorney General	\$19,799,874	\$20,550,412	\$21,212,039	\$21,134,410
Corrections	155,796,271	187,742,884	178,623,504	178,682,061
Judicial(2)	82,039,511	82,799,851	85,000,000	82,797,231
Military Staff	2,533,905	2,320,832	3,739,948	3,575,260
Public Safety(3)	63,975,375	62,946,520	66,828,094	64,656,938
Fire Safety Code Board of Appeal & Review	-	-	-	-
Office Of Public Defender	8,564,734	9,030,938	9,468,259	9,318,047
<b>Subtotal - Public Safety</b>	<b>\$332,709,670</b>	<b>\$365,391,437</b>	<b>\$364,871,844</b>	<b>\$360,163,947</b>
<b>Natural Resources</b>				
Environmental Management	38,071,852	36,032,812	35,779,384	34,011,362
Coastal Resources Management Council	2,076,370	1,985,139	1,877,703	2,034,354
Water Resources Board	1,648,213	1,226,089	1,378,002	1,352,046
<b>Subtotal - Natural Resources</b>	<b>\$41,796,435</b>	<b>\$39,244,040</b>	<b>\$39,035,089</b>	<b>\$37,397,762</b>
<b>Transportation</b>				
Transportation	-	-	-	-
<b>Subtotal - Transportation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>\$3,217,760,939</b>	<b>\$3,394,844,107</b>	<b>\$3,276,156,221</b>	<b>\$3,086,404,059</b>

(1) Department of Administration history adjusted for Taxation and Division of Motor Vehicles transferred in FY2007 to new Department of Revenue. In FY2009 Fire Code Board was moved to Department of Administration.

(2) Judicial includes Judicial Tenure and Discipline.

(3) Agencies merged with Department of Public Safety include State Police, Fire Marshal, E-911 Emergency Telephone System, Municipal Police Training Academy, Capitol Police, and the Governor's Justice Commission.

## Expenditures from Federal Funds

	FY2007	FY 2008	FY 2009	FY 2009
	Actual	Prelim Actual	Enacted	Revised
<b>General Government</b>				
Administration(1)	\$46,562,576	\$39,828,799	\$33,952,039	\$60,593,389
Business Regulation	43,291	114,130	-	87,641
Labor and Training	29,931,444	28,883,497	35,594,755	39,007,637
Revenue(1)	1,147,680	1,470,903	1,894,095	2,698,597
Legislature	-	-	-	-
Lieutenant Governor	-	-	-	-
Secretary of State	976,109	911,443	541,139	296,287
General Treasurer	476,081	799,601	1,170,081	1,095,793
Board of Elections	766,248	611,162	662,344	495,270
Rhode Island Ethics Commission	-	-	-	-
Governor's Office	-	-	-	-
Commission for Human Rights	259,293	388,839	391,309	472,455
Public Utilities Commission	92,650	70,662	100,547	102,659
Rhode Island Commission on Women	-	-	-	-
<b>Subtotal - General Government</b>	<b>\$80,255,372</b>	<b>\$73,079,036</b>	<b>\$74,306,309</b>	<b>\$104,849,728</b>
<b>Human Services</b>				
Office of Health & Human Services	93,852	3,168,914	7,593,011	4,714,918
Children, Youth, and Families	120,424,524	75,250,375	69,839,591	79,678,458
Elderly Affairs	12,057,604	11,980,485	12,257,937	14,194,581
Health	60,912,005	80,816,453	68,180,665	77,148,725
Human Services	867,561,431	1,028,830,375	999,808,193	1,028,629,855
Mental Health, Retardation, & Hospitals	240,445,805	241,728,740	222,757,014	239,622,738
Governor's Commission on Disabilities	162,175	77,450	189,769	135,851
Commission On Deaf and Hard of Hearing	4,522	(622)	-	-
State Council on Developmental Disabilities (3)	421,932	395,288	450,543	-
Office of the Child Advocate	37,674	40,006	39,143	40,555
Office of the Mental Health Advocate	-	-	-	-
<b>Subtotal - Human Services</b>	<b>\$1,302,121,524</b>	<b>\$1,442,287,464</b>	<b>\$1,381,115,866</b>	<b>\$1,444,165,681</b>
<b>Education</b>				
Elementary and Secondary	\$174,313,591	\$175,708,363	\$191,008,411	\$195,676,529
Higher Education - Board of Governors(4)	2,871,077	4,924,539	3,646,277	4,479,446
RI Council on the Arts	653,685	612,251	741,355	801,429
RI Atomic Energy Commission	101,942	352,771	407,277	94,937
Higher Education Assistance Authority	8,846,030	8,610,378	12,550,536	18,766,778
Historical Preservation and Heritage Comm.	508,937	509,240	479,640	845,462
Public Telecommunications Authority	-	-	-	-
<b>Subtotal - Education</b>	<b>\$187,295,262</b>	<b>\$190,717,542</b>	<b>\$208,833,496</b>	<b>\$220,664,581</b>

## Expenditures from Federal Funds

	FY2007	FY 2008	FY 2009	FY 2009
	Actual	Prelim Actual	Enacted	Revised
<b>Public Safety</b>				
Attorney General	\$1,274,491	\$1,298,123	\$1,263,609	\$1,304,344
Corrections	9,252,612	2,688,836	2,712,735	3,280,874
Judicial(2)	1,412,645	1,872,572	1,939,312	2,706,941
Military Staff	27,561,826	19,515,630	22,949,023	33,222,240
Public Safety(5)	1,999,004	5,957,636	6,232,120	9,976,455
Fire Safety Code Board of Appeal & Review	-	-	-	-
Office Of Public Defender	213,690	271,861	248,470	325,591
<b>Subtotal - Public Safety</b>	<b>\$41,714,268</b>	<b>\$31,604,658</b>	<b>\$35,345,269</b>	<b>\$50,816,445</b>
<b>Natural Resources</b>				
Environmental Management	\$21,320,143	\$17,692,013	\$33,435,438	\$30,423,404
Coastal Resources Management Council	1,659,031	1,779,206	1,453,450	1,659,109
Water Resources Board	64,170	-	-	-
<b>Subtotal - Natural Resources</b>	<b>\$23,043,344</b>	<b>\$19,471,219</b>	<b>\$34,888,888</b>	<b>\$32,082,513</b>
<b>Transportation</b>				
Transportation	\$231,342,605	\$183,982,854	\$263,437,353	\$266,069,476
<b>Subtotal - Transportation</b>	<b>\$231,342,605</b>	<b>\$183,982,854</b>	<b>\$263,437,353</b>	<b>\$266,069,476</b>
<b>Total</b>	<b>\$1,865,772,375</b>	<b>\$1,941,142,773</b>	<b>\$1,997,927,181</b>	<b>\$2,118,648,424</b>

- (1) Department of Administration history adjusted for Taxation and Division of Motor Vehicles transferred in FY2007 to new Department of Revenue. In FY2009 Fire Code Board was moved to Department of Administration.
- (2) Judicial includes Judicial Tenure and Discipline.
- (3) Developmental Disabilities Council included in the Board of Governors for Higher Education effective FY 2009.
- (4) Higher Education expenditures for FY 2008 are understated and do not reflect audited expenditures from the Board of Governors. Actual FY 2008 expenditures will be available upon completion of audit.
- (5) Agencies merged with Department of Public Safety include State Police, Fire Marshal, E-911 Emergency Telephone System, Municipal Police Training Academy, Capitol Police, and the Governor's Justice Commission.

## Expenditures from Restricted Receipts

	FY2007	FY 2008	FY 2009	FY 2009
	Actual	Prelim Actual	Enacted	Revised
<b>General Government</b>				
Administration(1)	\$6,784,583	\$9,973,069	\$8,876,034	\$12,864,453
Business Regulation	716,341	1,364,361	1,545,638	1,707,955
Labor and Training	15,552,019	20,098,434	24,905,914	24,701,721
Revenue(1)	705,160	789,994	925,663	799,483
Legislature	1,408,852	1,451,538	1,516,351	1,508,333
Lieutenant Governor	-	-	-	-
Secretary of State	270,463	420,390	555,581	413,076
General Treasurer	21,474,117	35,987,392	27,502,060	24,486,449
Board of Elections	-	-	-	-
Rhode Island Ethics Commission	-	-	-	-
Governor's Office	(3,617)	-	-	-
Commission for Human Rights	-	-	-	-
Public Utilities Commission	4,882,056	4,887,588	6,768,667	6,746,035
Rhode Island Commission on Women	-	-	-	-
<b>Subtotal - General Government</b>	<b>\$51,789,974</b>	<b>\$74,972,766</b>	<b>\$72,595,908</b>	<b>\$73,227,505</b>
<b>Human Services</b>				
Office of Health & Human Services	\$296,834	\$315,953	\$1,970,773	\$672,162
Children, Youth, and Families	1,767,022	2,159,755	1,757,941	2,203,059
Elderly Affairs	741,000	956,578	\$620,000	\$820,000
Health	12,204,993	15,692,703	25,486,027	24,717,414
Human Services	2,941,257	7,027,278	8,024,708	7,940,462
Mental Health, Retardation, & Hospitals	183,295	2,587,327	4,590,000	5,258,101
Governor's Commission on Disabilities	1,692	13,178	8,565	11,127
Office of the Child Advocate	-	-	-	-
Office of the Mental Health Advocate	-	-	-	-
<b>Subtotal - Human Services</b>	<b>\$18,136,093</b>	<b>\$28,752,772</b>	<b>\$42,458,014</b>	<b>\$41,622,325</b>
<b>Education</b>				
Elementary and Secondary	\$4,432,359	\$6,507,062	\$7,363,165	\$7,250,840
Higher Education - Board of Governors	1,074,589	715,937	1,041,526	666,433
RI Council on the Arts	-	-	-	94,225
RI Atomic Energy Commission	-	-	-	-
Higher Education Assistance Authority	-	-	-	-
Historical Preservation and Heritage Comm.	85,412	191,378	494,649	518,013
Public Telecommunications Authority	-	-	-	-
<b>Subtotal - Education</b>	<b>\$5,592,360</b>	<b>\$7,414,377</b>	<b>\$8,899,340</b>	<b>\$8,529,511</b>

## Expenditures from Restricted Receipts

	FY2007 Actual	FY 2008 Prelim Actual	FY 2009 Enacted	FY 2009 Revised
<b>Public Safety</b>				
Attorney General	\$678,356	\$867,559	\$980,866	\$1,114,433
Corrections	-	(61)	-	-
Judicial(2)	7,272,677	8,395,390	8,710,408	9,324,149
Military Staff	242,449	158,275	315,321	346,833
Public Safety(3)	1,905,648	1,103,585	434,000	835,000
Fire Safety Code Board of Appeal & Review	-	-	-	-
Office Of Public Defender	-	-	-	-
<b>Subtotal - Public Safety</b>	<b>\$10,099,130</b>	<b>\$10,524,748</b>	<b>\$10,440,595</b>	<b>\$11,620,415</b>
<b>Natural Resources</b>				
Environmental Management	\$15,257,111	\$13,383,302	\$16,411,875	\$13,514,137
Coastal Resources Management Council	162,500	120,000	250,000	395,000
Water Resources Board	-	327,378	-	109,817
<b>Subtotal - Natural Resources</b>	<b>\$15,419,611</b>	<b>\$13,830,680</b>	<b>\$16,661,875</b>	<b>\$14,018,954</b>
<b>Transportation</b>				
Transportation	\$1,451,818	-\$160,669	\$1,447,246	\$1,450,000
<b>Subtotal - Transportation</b>	<b>\$1,451,818</b>	<b>-\$160,669</b>	<b>\$1,447,246</b>	<b>\$1,450,000</b>
<b>Total</b>	<b>\$102,488,986</b>	<b>\$135,334,674</b>	<b>\$152,502,978</b>	<b>\$150,468,710</b>

(1) Department of Administration history adjusted for Taxation and Division of Motor Vehicles transferred in FY2007 to new Department of Revenue. In FY2009 Fire Code Board was moved to Department of Administration.

(2) Judicial includes Judicial Tenure and Discipline.

(3) Agencies merged with Department of Public Safety include State Police, Fire Marshal, E-911 Emergency Telephone System, Municipal Police Training Academy, Capitol Police, and the Governor's Justice Commission.

## Expenditures from Other Funds

	FY2007 Actual	FY 2008 Prelim Actual	FY 2009 Enacted	FY 2009 Revised
<b>General Government</b>				
Administration(1)	\$78,159,544	\$47,593,489	\$56,395,660	\$71,223,866
Business Regulation	-	-	-	-
Labor and Training	394,366,966	444,303,030	417,792,181	529,046,076
Revenue(1)	197,616,282	217,255,814	208,470,001	193,786,832
Legislature	-	-	-	-
Lieutenant Governor	-	-	-	-
Secretary of State	-	-	-	-
General Treasurer	188,384	206,210	253,375	196,194
Board of Elections	-	-	-	-
Rhode Island Ethics Commission	-	-	-	-
Governor's Office	69,398	-	-	-
Commission for Human Rights	-	-	-	-
Public Utilities Commission	-	-	-	-
Rhode Island Commission on Women	-	-	-	-
<b>Subtotal - General Government</b>	<b>\$670,400,574</b>	<b>\$709,358,543</b>	<b>\$682,911,217</b>	<b>\$794,252,968</b>
<b>Human Services</b>				
Office of Health & Human Services	-	-	-	-
Children, Youth, and Families	188,130	542,403	1,210,000	1,192,732
Elderly Affairs	4,343,602	4,477,142	4,630,000	4,630,000
Health	29,471	45,972	29,410	231,425
Human Services	-	700,000	225,000	257,500
Mental Health, Retardation, & Hospitals	2,548,069	3,173,034	10,781,631	7,335,643
Governor's Commission on Disabilities	163,449	100,000	300,000	411,551
Office of the Child Advocate	-	-	-	-
Office of the Mental Health Advocate	-	-	-	-
<b>Subtotal - Human Services</b>	<b>\$7,272,721</b>	<b>\$9,038,551</b>	<b>\$17,176,041</b>	<b>\$14,058,851</b>
<b>Education</b>				
Elementary and Secondary (2)	\$170,017	\$1,558,748	\$15,940,000	\$18,787,925
Higher Education - Board of Governors(3)	541,300,024	589,123,444	635,045,188	659,257,107
RI Council on the Arts	156,234	210,175	439,453	425,000
RI Atomic Energy Commission	157,890	287,689	301,153	293,869
Higher Education Assistance Authority	8,384,583	7,091,785	6,776,220	6,899,631
Historical Preservation and Heritage Comm.	-	-	-	767,060
Public Telecommunications Authority	1,082,894	798,374	767,060	-
<b>Subtotal - Education</b>	<b>\$551,251,642</b>	<b>\$599,070,215</b>	<b>\$659,269,074</b>	<b>\$686,430,592</b>



## Expenditures from Other Funds

	FY2007 Actual	FY 2008 Prelim Actual	FY 2009 Enacted	FY 2009 Revised
<b>Public Safety</b>				
Attorney General	\$161,887	\$157,154	\$275,000	\$747,726
Corrections	5,068,293	2,902,534	5,161,000	5,404,683
Judicial(4)	954,683	1,438,736	1,700,000	1,895,061
Military Staff	2,234,818	1,778,845	1,415,500	2,748,726
Public Safety(5)	3,290,028	3,142,765	14,331,245	13,921,723
Fire Safety Code Board of Appeal & Review	-	-	-	-
Office Of Public Defender	-	-	-	-
<b>Subtotal - Public Safety</b>	<b>\$11,709,709</b>	<b>\$9,420,034</b>	<b>\$22,882,745</b>	<b>\$24,717,919</b>
<b>Natural Resources</b>				
Environmental Management	\$1,378,041	\$2,833,397	\$3,331,455	\$5,109,852
Coastal Resources Management Council	-	1,590,590	1,655,509	-
Water Resources Board	80,600	82,199	100,000	119,635
<b>Subtotal - Natural Resources</b>	<b>\$1,458,641</b>	<b>\$4,506,186</b>	<b>\$5,086,964</b>	<b>\$5,229,487</b>
<b>Transportation</b>				
Transportation	\$135,892,360	\$116,242,113	\$105,141,781	\$101,065,773
<b>Subtotal - Transportation</b>	<b>\$135,892,360</b>	<b>\$116,242,113</b>	<b>\$105,141,781</b>	<b>\$101,065,773</b>
<b>Total</b>	<b>\$1,377,985,647</b>	<b>\$1,447,635,642</b>	<b>\$1,492,467,822</b>	<b>\$1,625,755,590</b>

- (1) Department of Administration history adjusted for Taxation and Division of Motor Vehicles transferred in FY2007 to new Department of Revenue. In FY2009 Fire Code Board was moved to Department of Adminsitration.
- (2) Elementary and Secondary includes an estimated expenditure of resources from the Permanent School Fund which are available from video lottery terminal revenues starting in Fy 2009.
- (3) Higher Education expenditures for FY 2008 are understated and do not reflect audited expenditures from the Board of Governors. Actual FY 2008 expenditures will be available upon completion of audit.
- (4) Judicial includes Judicial Tenure and Discipline.
- (5) Agencies merged with Department of Public Safety include State Police, Fire Marshal, E-911 Emergency Telephone System, Municipal Police Training Academy, Capitol Police, and the Governor's Justice Commission.

## **Major General Revenue Changes from the FY 2009 Enacted to the FY 2009 Supplemental Budget**

### **Statewide Supplemental Recommendations**

**Department of Administration – Subtract \$48,274,641.** Major changes by program are as follows:

**Accounts & Control – Subtract \$117,142.** The Governor recommends the reduction of \$244,835 in personnel costs related to positions that have been vacant since July 1<sup>st</sup>. In addition, the Governor recommends the addition of \$80,000 for CMLA interest owed to the federal government for premature federal cash draw downs received by the state. The amount is an estimate based on historical expenditures. An actual amount for FY 2009 should be available in January, 2009.

**Bureau of Audits – Subtract \$508,914.** The Governor recommends the reduction of \$508,914 in the Bureau of Audits. The Budget as presented includes savings of \$494,856 in personnel costs due to four unfilled vacancies and an eliminated administrative position. The Governor's Budget includes the elimination of \$15,000 for the funding of a contract employee.

**Human Resources – Subtract \$286,107.** The Governor recommends a reduction of \$286,107 which is net of personnel savings due to vacancies of \$1,376,046, the merging of the MBE program from Purchasing \$143,456, and the transfer of the Labor Relation Unit from Legal Services \$843,954 into Human Resources. In addition the Governor recommends an additional \$114,000 for an increase in legal costs due to mediation services.

**Capital Projects and Property Management – Subtract \$1,098,647.** The Governor recommends the conversion of the Building Contractor's Registration Board from general revenues to restricted receipts. R.I. Gen Law 5-65-9 (b) states that effective July 1, 2008 "all fees and fines collected by the Board shall be deposited into a restricted receipt account for the exclusive use of supporting programs established within this chapter". The transfer was not included in the FY 2009 Enacted Budget. The Budget as presented represents the transfer of all operational costs for the Building Contractor's Registration Board to the Restricted Receipt Account with the exception of the costs of a new licensing system which were to be completed in FY 2008; however, were deferred to FY 2009.

**Capital Projects and Property Management – Add \$150,000.** The Governor recommends \$150,000 for the settlement of a dispute over the termination of a lease. In FY 2008, the Department of Business Regulation moved out of office space owned by Brown University to a state-owned building at the Center General Building at the Pastore Complex for annual savings of \$1.0 million. Brown University disputed the termination of the lease and the state has settled the dispute for \$150,000. The funding is being added to the Capital Projects and Property Management program, as opposed to the Department of Business

Regulation, because this program was responsible for negotiating the lease termination and ultimate settlement.

#### **Facilities Management**

**Contracted Professional Services – Add \$256,098.** The Governor recommends \$256,098 in additional funding for contract services, of which \$124,750 is for the maintenance at the Pastore Center Power Plant. The forecasted cost of managing the power plant is based upon a labor component (fixed) and a material component (variable). The current forecast is based upon anticipated activity at the plant in the current year. The remaining increase in purchased services is due to the new forecasted janitorial rates and the need for increased security services at DLT's state owned branches.

**Operating – Subtract \$1,208,605.** The Governor recommends a reduction of \$1.2 million due to a surplus in building maintenance forecasted for FY 2009. Of this surplus, \$760,314 is related to the transferring of maintenance costs for the Juvenile Corrections Program at the Rhode Island Training School to the Department of Children, Youth, and Families. The amount was included in the FY 2009 enacted budget for DCYF but was not reduced in the enacted budget for the Department of Administration.

**Utilities, Capital Center – Add \$153,564.** The Governor recommends an increase in funding for utility expenses for the capital center of \$153,564. The expenditures forecasted are based upon current usage levels in comparison to FY 2008 and the current rate structure increase of 17% passed by the PUC in August for electricity rates. This amount will be updated to reflect the latest PUC rates when the analysis is completed.

**Utilities, Pastore Operations – Subtract \$985,375.** The Governor recommends a reduction for utility expenses for the Pastore/Zambarano campuses of \$985,375. The expenditures forecasted are based upon the NYMEX futures market for which our prices are derived for the Pastore Central Power Plant. In addition, we have facilities that are direct billed and their current usage levels have been based off the August PUC rate setting for electricity consistent with the Capital Center. This amount will be updated to reflect the latest PUC rates when the analysis is completed.

**Personnel – Subtract \$874,893.** The Governor recommends a reduction of \$874,893 in personnel costs due to vacancies since July 1<sup>st</sup>.

#### **Information Technology**

**Contracted Professional Services – Add \$120,009.** Of this deficit, \$73,000 is due to the necessity to complete two billing rate studies within the same fiscal year. The balance of the increase is for the Disaster Recovery service which is outsourced for redundancy and recoverability in the event of a catastrophe in Rhode Island. The enacted budget amount was \$195,720. The revised FY 2009 amount is \$250,432.

**Operating – Add \$107,005.** This deficit is due to a deficit of \$341,000 comprised of increases in maintenance agreements, server leases, and data / sonnet lines, partially offset by decreases in utilities, out-of-state travel, and computer equipment totaling \$233,000.

**Contractor's Consolidation – Add \$269,191.** To date the Department has eliminated 15 contractors and replaced them with state FTE's for an annual savings of \$379,346. By March 1, 2009, another 25 contracted positions are expected to be converted to full-time employees. The calculated continuing costs of contracted services is assigned for the first eight months of the fiscal year, with the remaining four months anticipated in budgeting for the corresponding FTEs. The delay in conversion of these positions has resulted in a deficit in MPA 230 funding totaling \$1,064,016. There has also been a reduction in salary and wage expenses totaling \$794,825 based on open FTEs from the planned conversion. Expanded recruitment for IT professionals and posting/reposting of positions has been successful in the second quarter. The March 1, 2009 conversion is expected to be realized.

**Personnel – Subtract \$1,048,956.** The Governor recommends a reduction of \$1,048,956 in personnel costs due to vacancies since July 1<sup>st</sup>.

**RI FANS – Subtract \$536,143.** The initial phase of the RIFANS HR module was schedule to begin in FY 2009 and \$1.9 million was budgeted for the associated operating and implementation costs. Of this amount, \$911,000 was budgeted for the initial phase of the project. Due to current staffing levels, it has been deemed necessary to delay a project of this magnitude until July 1, 2009.

**Sheriffs - Add \$730,000.** The Governor recommends an increase of \$730,000 for overtime in the Sheriffs program. The overtime is assigned to the following areas: shift details at hospitals, inmate transportation, and extraditions. In addition to overtime, the payment of comp time accrued since 2002 was paid out in July. The cost of the payout was \$96,000 including FICA for 111 Sheriffs that qualified for reimbursement under the terms of the contract. There is a further pending arbitration decision for comp time for hospital details. Although there is no cost determined yet, there is \$34,000 included in the budget as a contingency – an amount that the Department believes will cover the judgment.

**Sheriffs – Subtract \$111,969.** The Governor recommends a reduction of \$111,969 in personnel costs due to vacancies since July 1<sup>st</sup>.

**Sheriffs - Add \$254,471.** The Governor recommends an increase of \$254,471 for operating expenses in the Sheriffs program. The deficit is due to increases in out-of-state travel, fleet management, lease payments for vehicles purchased in FY 2007 and FY 2008, and food due to increased extraditions.

**Motor Vehicle Excise Tax Payments – Subtract \$4,206,292.** Based on data collected from 36 out of 39 municipalities, the Division of Municipal Finance, in conjunction with the state's contractor responsible for calculating reimbursement amounts, has determined that the growth in the Motor Vehicle Excise Tax program is 0.1% over FY 2008. The enacted budget assumed a growth rate of 3.2%, an increase of \$4.3 million over the FY 2008 revised budget. The revised funding projected for FY 2009, based on the 0.1% growth rate is \$135,380,353, as compared to the enacted level of \$139,586,645, or a reduction of \$4,206,292.

**Property Revaluation Program – Subtract \$140,000.** Based on the communities conducting revaluations during FY 2009 and payments remaining to communities that conducted revaluations during FY 2008, the Division of Municipal Finance has estimated FY 2009 expenditures of \$1.13 million. Enacted funding for this program was \$1,272,000, thus allowing for a withdrawal of \$140,000.

**General Revenue Sharing – Subtract \$55,111,876.** The Governor recommends suspending the General Revenue Sharing program for FY 2009 and withdrawal of the entire enacted appropriation of \$55,111,876.

**Library Construction Aid – Subtract \$178,282.** The Office of Library and Information Services estimates that actual reimbursements for Library Construction Aid during FY 2009 will be \$2,587,447, based on the latest data provided by local libraries. This is \$178,282 less than the enacted funding level.

**General Obligation Debt Service – Subtract \$2,916,766.** The reduction in debt service owed on outstanding general obligations bonds is primarily due to the delay in the issuance of bonds for FY 2009 until December 2008, thus pushing the first debt service payment on these bonds off to FY 2010.

**Center General Building COPS Debt Service – Add \$150,392.** Although total debt service on this project does not change, the general revenue share increases due to the move of the Department of Business Regulation to this facility late in FY 2008. Debt service for this building is allocated by the square footage used by the tenants and then allocated to funding sources available to those agencies based on the work performed by staff. DBR is primarily funded with general revenues and thus an increase in general revenue funding is required to fund their share of the debt service costs.

**Information Technology COPS Debt Service – Subtract \$301,725.** Actual debt service requirements will be \$301,725 less than the enacted funding for this project.

**Tax Anticipation Notes Debt Service – Subtract \$5,229,313.** The FY 2009 Appropriations Act authorizes the State to borrow up to \$350.0 million in anticipation of revenues in FY 2009 for cash flow purposes. Cash flow projections estimated the need for \$350.0 million in TANS, and they were issued in October 2008 for FY 2009 cash needs. A total of \$9,670,209 was enacted in the FY 2009 Appropriations Act to cover this borrowing, including \$6,816,675 in general revenues and \$2,853,534 in restricted receipts, which are derived from premium received and interest earned on the borrowed funds until used for cash flow needs. Final debt service requirements, based on the actual interest rate and projected interest earnings on the borrowed funds, are projected to be \$5,311,789, including \$5,111,944 in interest on TANS and \$55,000 for interest paid on funds borrowed from the TDI fund and cost of issuance, which are expected to be \$144,845. This is comprised of \$1,587,312 in general revenues, a decrease of \$5,229,313 from the enacted level and \$3,724,428 in restricted receipts, an increase of \$870,894. The

restricted receipts include \$2,343,345 of premium and \$1,381,083 in projected interest earnings.

#### **Department of Business Regulation**

**Securities Regulation** – Subtract \$129,861. The Governor recommends subtracting \$129,861 in general revenue. This includes reductions of: \$134,217 due to turnover taken for 2 vacant positions. This reduction is offset by the statewide increase in retiree health benefits, which increased by \$8,355.

**Insurance Regulation** – Subtract \$164,564. The Governor recommends subtracting \$164,564 in general revenue. This includes reductions of: \$252,102 due to 2 positions which remain vacant due to retirements, and turnover taken for 2 additional vacant positions in this program. Offsetting these decreases are other grants and benefits, with an increase in \$50,000 for a grant from the Center for Health Care Strategies, Inc. in support of a project entitled “Rhode Island Regional Quality Initiative. It should be noted that both revenues and expenses will increase by \$50,000; therefore this adjustment will be revenue neutral. There is an expected settlement for \$30,515, for a personnel matter that was recently awarded. The final offset is the increase in retiree health benefits for \$47,638.

**Banking Regulation** – Subtract \$285,788. The Governor recommends subtracting \$285,788 in general revenue. This includes reductions of: \$297,775, funding one bank examiner’s position which was inadvertently left out of the division’s request, and three vacancies for positions not yet approved by the hiring committee. This reduction was offset by the statewide increase in retiree health benefits of \$18,503.

**Commercial Licensing, Racing, and Athletics** – Subtract \$198,807. The Governor recommends subtracting \$198,807 in general revenue. This includes reductions of: \$206,599 for four vacancies which have been eliminated and their duties delegated to existing positions. This reduction was offset by the statewide increase in retiree health benefits of \$6,759.

#### **Department of Labor and Training**

**Income Support, Add \$409,017.** The Governor recommends an increase of \$409,017 in the Police and Fire benefits for four one-time death benefits (\$321,000) and increasing caseloads (\$88,017).

**Legislature– Subtract \$1,507,000.** The Governor recommends not funding the majority of the Legislature’s FY 2009 reappropriation. The reappropriation was \$1,738,515.

#### **Secretary of State**

**Administration, Subtract \$139,409.** The Governor recommends a decrease of \$139,409 in Administration, which is primarily due to a reduction of \$126,464 recommended in personnel for the removal of financing for 1.4 FTE's.

**State Archives, Add \$80,762.** The increase includes \$53,686 more for operating costs including the transfer of \$76,380 from restricted receipts for rental of outside property costs due to lower than anticipated receipts from the Historical Records Trust restricted receipt account. The Historical Records Trust restricted receipt account is not projected to have sufficient resources to finance the full cost of operating the State Archives division.

**Elections, Add \$178,872.** The increase is primarily due to \$217,170 in transferred costs from the Help America Vote Act (HAVA) fund to general revenues. HAVA funds have been significantly depleted in FY 2009, thereby requiring additional general revenues to finance ongoing HAVA mandates.

**Office of the General Treasurer – Subtract \$97,833.** The Governor recommends a decrease of \$97,833 for the General Treasurer depart-wide, most of which is for salaries and benefits.

**Board of Elections – Add \$39,813.** The Governor recommends an increase of \$128,231 in contracted professional services primarily as a result of the transfer of Help America Vote Act (HAVA) related expenditures to general revenues for costs that can no longer be sustained by federal HAVA funds, which will be depleted in FY 2009. It should be noted that the net total change from the enacted budget for the Board of Elections is an increase of \$39,816. This is due to an offsetting decrease of \$148,720 in personnel costs primarily due to two vacant positions.

**Office of the Governor - Add \$257,822.** The Governor recommends an increase of \$257,822 to fully fund 39.0 FTE positions, plus some first quarter costs for staff that have subsequently left the office. This also includes the transfer of 2.0 FTE positions from the Department of Administration. The FY 2009 Enacted Budget assumed the transfer of an Administrative Assistant from the Governor's Office to the Department of Administration/Central Business Office as part of a plan to centralize certain fiscal functions. This transfer did not occur, but the funding for the position was budgeted in Administration for FY 2009. The revised budgets for both the Governor's Office and the Department of Administration include the transfer of the FTE and funding (\$62,932) for this position back to the Governor's Office. A second position, funded in the enacted budget in the Purchasing Division of the Department of Administration, was also moved to the Governor's Office and the incumbent subsequently reclassified from a Supervisor of Fiscal Services to a Deputy Executive Assistant/Communications position. The FTE and funding (\$126,584) associated with this position is transferred from the DOA budget to the Governor's Office as part of the revised budget request. Although the enacted budget included funding for 39.0 FTE positions, changes in staffing composition (i.e. new titles/upgrades) and apparently under-funded salaries in the enacted budget, results in increased personnel costs. In addition, personnel costs for several staff that left the office during the first quarter of the fiscal year add an additional \$133,791. These increased costs are offset by savings from the allocation of one-half of a position to the Emergency Management Agency and also from a position on medical leave.

## **Department of Revenue**

**Office of Revenue Analysis** – Subtract \$221,860. The Governor recommends subtracting \$221,860 in general revenue. This includes reductions of: \$229,117 in savings due to turnover for one position, the elimination of one position in the office, and one vacancy for which hiring committee approval has not yet been received. This savings is offset by the statewide item of increased retiree health benefits, which increased by \$6,963.

**Taxation** – Subtract \$2,410,502. The Governor recommends subtracting \$2,410,502 in general revenue. This includes reductions of: \$2,449,243 for 23 vacancies that have not yet received hiring committee approval, combined with turnover for 17 positions that have been approved by the committee, but not yet filled. These savings are offset by the statewide item of increased retiree health benefits, which increased by \$136,550.

**Division of Motor Vehicles** – Subtract \$1,872,186. The Governor recommends subtracting \$1,872,186 in general revenue. This includes reductions of: \$2,060,233 for 20 vacancies that have not received hiring committee approval combined with 9 positions that have been approved for hiring, but additional turnover has been taken. Savings of \$47,826 have been taken due to the closing of the West Warwick and Westerly DMV branch offices. These reductions have been offset by the statewide item of increased retiree health benefits of \$114,782. Contracted services costs have grown by \$116,663. This includes funding for Capital Police at Operator Control and Pawtucket Police at the Pawtucket DMV main office, and an increase in IT support services.

**Executive Office of Health and Human Services** – Subtract \$1,386,721. This reduction includes a decrease of \$1,567,375 in personnel expenses due to a delay in the transfer of FTE from the outlying five human service agencies. The enacted budget included costs associated with these FTE from July 1, 2008. Many of these transfers will not take place until January of 2009. The savings associated with these transfers in EOHHS have a net zero balance with increases in the other human service agencies. Other personnel savings are attributable to adjustments in the cost allocation plan. Personnel savings are slightly offset by an increase of \$130,000 for legal expenses. The Governor recommends Federal Stimulus FMAP Rate savings of \$46,026 million in DCYF. This takes into account the increase in federal participation rates (FMAP) by adding percentage points to the current federal participation rate. The Governor's recommended budget **assumes 3.0 percentage points** will be added to the State's FMAP rate in the federal stimulus bill

## **Department of Children, Youth, & Families**

**Central Management-** Add \$136,884. This addition consists of \$207,933 for contracted professional services and operating expenses, which is partially offset by personnel savings of \$71,049 due to an increase in turnover rates and first quarter vacated positions.

**Children's Behavioral Health-** Subtract \$3,168,936. The majority of this reduction is related to a transfer of \$2,585,269 for grants and benefits to the Child Welfare Program due to reprogramming. A personnel savings of \$475,322 from the enacted level is attributable to additional turnover and first quarter vacated positions. Contracted



professional services, operating expenses, and costs associated with Project Hope and Project Reach decreased by \$108,345.

**Juvenile Corrections- Add \$1,497,352.** Overtime in the Juvenile Corrections Program increased by \$2,077,276 from the enacted level due to a delay in reprogramming associated with the opening of the new Rhode Island Training School for Youth. The revised budget includes an increase of \$256,967 for food at the Rhode Island Training School based on historical and year to date expenditures. The remaining increase of \$232,905 is associated with contracted professional services, operating expenses, and capital purchases and equipment. These increases were partially offset by personnel savings of \$779,809, which is related to additional turnover and first quarter vacated position. Grants and benefit costs decreased by \$289,987. These changes reflect the overall approach of the program being focused on community based services rather than residential services.

**Child Welfare- Add \$18,904,502.** The majority of this increase is related to an addition of \$18,719,012, which pertains to a change in the methodology used for Medicaid billing. DCYF has updated the percentages used to bill Medicaid and Title IV-E for children placed in residential services based on a time study conducted in October of 2007. Costs associated with services provided to the 18 and older population increased by \$2,275,196 due to a larger population being served than had been previously estimated. An additional increase of \$551,329 for capital purchases and equipment, operating expenses, and contracted professional services was included in the revised budget based on historical and actual year to date expenditures. Personnel savings of \$1,896,396 were the result of additional turnover and first quarter vacated positions. Reprogramming and utilization of flextime hours produced a savings of \$685,411 in overtime and \$59,228 in grants and benefits in the Child Welfare Program.

**Corrective Action Plan- Subtract \$1,893,385.** The Department was required to submit a corrective action plan for unachievable savings that had been programmed into the enacted budget. The plan for DCYF included a total general revenue savings of \$1,893,385. This plan included a reduction of \$518,605 in personnel savings associated with additional turnover associated with leaves and delays in the hiring. These personnel savings were distributed amongst several programs. A decrease of \$1,327,497 is associated with the conversion of 75 group home and 15 shelter beds into high end foster care slots. The implementation of a new federal law on guardianships and the conversion of eligible general revenue expenditures to IV-E expenditures produced an additional savings of \$47,283.

**DHS Transfer of Managed Care - Add \$17,786,250.** As part of the Fiscal Year 2008 budget, \$86.4 million (all funds) was moved from DCYF to DHS as part of the Managed Care Initiative. This included both residential and hospital based funding. After the transfer, it was determined that the residential facilities did not lend themselves to a managed care model. The portion of this move representing residential facilities is being transferred back into DCYF. The total general revenue transfer is \$17,786,250, of which \$1,599,889 is in Juvenile Corrections and \$16,186,361 is in Child Welfare.

**Costs Not Otherwise Matchable - Residential Diversion- Subtract \$2,050,993.** Savings associated with the diversion of residential services for at risk youth into a more community based approach reflects a total savings of \$2,050,993, of which \$788,721 is in the Children's Behavioral Health Program and \$1,262,272 is in the Child Welfare Program.

**Federal Stimulus FMAP Rate Savings, subtract \$1,458,999.** The Governor recommends Federal Stimulus FMAP Rate savings of \$1.5 million in DCYF. This takes into account the increase in federal participation rates (FMAP) by adding percentage points to the current federal participation rate. The Governor's recommended budget **assumes 3.0 percentage points** will be added to the State's FMAP rate in the federal stimulus bill

#### **Department of Elderly Affairs**

The Governor recommends a net reduction of \$1.5 million from FY 2009 original general revenue expenditure authorizations. Major changes to the FY 2009 original expenditures authority include the following:

- Subtract \$397,039 for position vacancies and lower replacement costs.
- Add \$612,404 for compliance with Perry/Sullivan to increase provider rates by 10% for the following: a) Home and Community-based Services for day care (co-pay) - \$157,554; b) Home and Community-based Services (HCBS) for home care (co-pay) - \$205,631; and Core MEDICAID Waiver - \$249,219.
- Subtract \$1.3 million for costs not otherwise matchable (CNOM) for MEDICAID financing purposes under terms and conditions of the Rhode Island Global Consumer Choice Compact Demonstration Waiver for the period 1/1/2009 through 12/31/2013. These cost savings under the waiver include the following: a) transportation services for medical, special medical and adult day care - \$309,831; b) Home and Community-based Services (HCBS) (adult day care - co-pay) - \$441,031; and c) Home and Community-based Services (HCBS) – home care – co-pay - \$594,776.
- Subtract \$200,000 for offset against available Rhode Island Pharmaceutical Assistance to the Elderly (RIPAE) rebates resources to reduce the shortfall in general revenue resources.

#### **Department of Health**

The Governor recommends a net reduction of \$1.5 million from FY 2009 original general revenue expenditures authority. Major changes to original FY 2009 expenditure authorizations include the following:

##### **Central Management**

- Add \$392,691 for adjustments to payroll expenditures, reflecting current service requirements for changes to salaries and employees benefits.

- Subtract \$132,500 from original authorization of \$400,000 for the Health Information Exchange system funding, reallocated to payroll.
- Subtract \$267,000 for the balance of the 2009 enacted base funding for health information exchange system for balanced budget constitutional requirement.
- Subtract \$300,000 for costs not otherwise matchable (CNOM) for MEDICAID financing purposes under the Rhode Island Global Consumer Choice Compact Demonstration Waiver for the period 1/1/2009 through 12/31/2013.
- Subtract \$65,503 for an anticipated federal stimulus that would increase the state's FMAP rate by up to three percent, requiring reduced general revenue matching funds.

#### **State Medical Examiner**

- Add \$315,236 for the services of pathologists and other medico-legal professionals for autopsy caseloads.
- Add \$47,440 for payroll costs incurred for employees of the Executive Office of Health and Human Services paid out of the financial resources of the department of health.

#### **Environmental & Health Services Regulation**

- Subtract \$326,557 for position vacancies and lower replacement costs.
- Subtract \$176,064 for contract professional services, especially in Health Services Regulation to achieve constitutionally-mandated balance budgets.
- Add \$64,660 for examination and testing services for health professionals
- Add 52,062 for payroll costs incurred for employees of the Executive Office of Health and Human Services paid out of the financial resources of the department of health.
- Add \$90,672 for a change in retiree health planning value from 3.86 percent to 5.7 percent, a change of 1.8 percent.

#### **Health Laboratories**

- Subtract \$779,609 for position vacancies and lower replacement costs.
- Add \$111,148 for contract professional services for continuation of vital program functions due to massive retirements.
- Subtract \$183,298 for other operating supplies and expense, more especially laboratory supplies (reagents) due to lower staffing arising from retirements.
- Add \$54,764 for a change in retiree health planning value from 3.86 percent to 5.7 percent, a change of 1.8 percent.

#### **Public Health Information**

- Add \$82,534 for adequate program staffing, including revised payroll planning values.

- Subtract \$52,470 for contract professional services to achieve balanced budgets requirements as mandated by the state constitution due to insufficient general revenue resources.

#### **Community and Family Health and Equity**

- Add \$79,854 for other operating supplies and expense, more especially office and medical supplies, not adequately funded in the FY 2009 enacted budget.
- Subtract \$250,147 for grantee services related to tobacco control and cessation to achieve balanced budgets requirements as mandated by state constitution.
- Add \$50,000 to restore and correct base funding of Governor's Worksite Wellness initiative transferred to the department of administration in the FY 2009 enacted budget.
- Add \$58,802 for grant funding of activities related to family life and choices for self care for funds received from non-governmental sources receipted and recognized as general revenues in the 2009 budget act.

#### **Infectious Disease and Epidemiology**

- Subtract \$223,931 for position vacancies and lower replacement costs.
- Subtract \$200,000 for the delay/deferral of the acquisition of the National Disease and Surveillance System software to achieve balanced budgets requirements as mandated by state constitution.

#### **Department of Human Services**

Central Management - Subtract \$1,089,212; consisting primarily of a redirection of the Emergency Housing Assistance program to the Rhode Island Mortgage Financing Corporation totaling \$1,293,518; \$314,706 in additional personnel financing; and a \$100,000 reduction for the Community Action Network. Various changes to operating and contract services results in an overall reduction of \$10,400 for these categories of expenditure.

Child Support Enforcement - Subtract \$361,989; consisting primarily of a reduction in operating expenditures of \$173,628 owing to savings in rental costs for leased office space, office equipment, and other miscellaneous operating. Base personnel financing decreases \$245,485 from enacted levels, while financing for contracted services (mainly constable services) increases \$57,124.

Individual and Family Support - Subtract \$2,615,508; consisting primarily of a reduction in base personnel financing of \$2,745,106 resulting from atypically high levels of attrition realized during the first quarter of FY 2009. Also included is an increase of \$202,602 for non-Medicaid homemaker services, which are provided to SSI recipients on an unmatched basis.

The Individual and Family Support Program (IFS) also contains general revenue reductions for Costs Not Otherwise Matchable, or "CNOM" items. These are formerly

State-only programs that became eligible for federal financial participation under the provisions of the Global Consumer Choice Compact Section 1115 Demonstration (i.e. the "Global Waiver"). Note that a "CNOM" **does not entail systemic savings**, but rather a zero-sum shift of cost between sources of funding. For IFS, the following CNOM programs (and associated general revenue savings) were identified: Home Modification, \$26,285; Personal Care Attendants, \$46,670; Adaptive Telephone, \$15,977; and Social Services for the Blind, \$72,752.

Veterans' Affairs - Subtract \$472,530; consisting primarily of a withdrawal of \$1,539,000 for the food services contract and a restoration of \$780,000 for food costs associated with the (now abandoned) dietary privatization initiative. Offsetting increases for contracted professional services due mainly to increased utilization of nursing pools at the Veterans' home, as well as for miscellaneous operating expenditures, are also included.

Health Care Quality, Financing and Purchasing - Subtract \$1,237,016; consisting primarily of a \$963,448 reduction in financing for personnel as well as contract services savings totaling \$195,364, which result from (1) a reduction in the contract for the Medicaid Management Information System (MMIS) and (2) the inclusion of two small initiatives (totaling \$17,357) from the Department's "corrective action plan" within the Health Care Quality program. These are the renegotiation of the EDS, ACS and Northrop Grumman Contracts, and a reduction in the Rhode Island Parent Information Network (RIPIN) contract.

Medical Benefits - Subtract \$34,396,644; consisting of the following:

- An addition of \$36,974,842 due to caseload estimates as adopted by the November 2008 Caseload Estimating Conference.
- The withdrawal of \$17,786,250 for services provided to the residential facilities (Medicaid) population of the Department of Children, Youth, and Families (DCYF). Costs for these services were originally transferred from DCYF to DHS during the FY 2008 budget cycle. After the transfer, however, it was determined that the DCYF residential facilities did not lend themselves to a managed care model. Therefore, financing totaling \$17.8 million in general revenues is being transferred back to DCYF.
- Withdrawal of \$800,000 in general revenues for Costs Not Otherwise Matchable (CNOM) under the Early Intervention program (see the IFS section above for a description of CNOM).
- A reduction of \$29,269,702 stemming from implementation of the Department's FY 2009 corrective action plan. This savings plan was submitted by the Department following the publication of the first quarter report, which revealed significant operating deficits in many State agencies. The vast majority of the

DHS corrective action plan is comprised of reductions to the Medical Benefits program, the most salient of which are:

- (a) **\$17,650,000** for the rescission of supplemental uncompensated care payments to hospitals authorized under Article 19, Section 2 of the FY 2009 Appropriations Act.
- (b) **\$2,802,353** for a correction in the payments owed to hospitals under the State's Disproportionate Share Hospital (DSH) program.
- (c) **\$3,079,828** for a 5 percent reduction in nursing home rates.
- (d) **\$1,422,300** for the deferral of the nursing home COLA implementation to July 1, 2009.
- (e) **\$500,000** for a reduction in non-emergency transportation rates.
- (f) **\$576,436** for a service reduction within the CEDARR family centers.
- (e) **\$591,296** for various rate reductions for Home-Based Therapeutic Services (HBTS).
- (f) **\$948,200** for a reduction in the direct labor cost ceiling for reimbursement of nursing facilities from 112 percent to 110 percent of the median.
- Savings of \$3,398,000 stemming from initiatives made possible through passage of the Global Consumer Choice Compact Section 1115 Demonstration, including (but not limited to) nursing home diversion, \$1,150,000; nursing home transition, \$500,000; customization of benefit design, \$750,000; selective networking for pharmacy, \$546,000; implementation of a RiteCare resource test, \$100,000; and various selective contracting programs, \$500,000.
- **The subtraction of \$19,535,534 for Federal Stimulus FMAP Rate Savings.** The Governor recommends Federal Stimulus FMAP Rate savings of \$19.5 million for DHS. This takes into account the increase in federal participation rates (FMAP) by adding percentage points to the current federal participation rate. The Governor's recommended budget **assumes 3.0 percentage points** will be added to the State's FMAP rate in the federal stimulus bill.

Supplemental Security Income - Subtract \$811,771; consisting entirely of a reduction to caseload estimates as adopted by the November 2008 Caseload Estimating Conference. These estimates incorporated a higher-than-anticipated federal SSI COLA of 5.8 percent, which (pursuant to Article 26 of the FY 2009 Appropriations Act) further reduced the State share of SSI payments in FY 2009.

Family Independence Program - No Change from Enacted Level; however, in order to meet TANF Maintenance of Effort requirements, the Governor recommends the shift of \$2.8 million from FIP/RI Works to the Child Care program. Offsetting shifts of federal funds to maintain overall financing levels consistent with adopted caseload estimates are also included.

State Funded Programs - Subtract \$967,770; consisting of a reduction of \$282,360 to the adopted caseload estimate, a decrease of \$185,410 for the cash assistance hardship program, and the withdrawal of \$500,000 in general revenues for Costs Not Otherwise Matchable (CNOM) under the GPA Medical program (see the IFS section above for a description of CNOM).

### **Mental Health, Retardation and Hospitals**

Central Management - Subtract \$1,022,259. The Governor recommends withdrawing \$1.0 million from Central Management, including the following large reductions: \$631,315 in salaries and benefits, \$287,513 in grants and benefits, and \$90,854 in operating costs.

Hospital and Community System Support - Subtract \$551,949. The Governor recommends withdrawing \$0.6 million from Hospital and Community System Support, including \$517,145 in salaries and benefits.

Services for the Developmentally Disabled - Add \$6,721,436. The Governor recommends adding \$6.7 million to Services for the Developmentally Disabled, including the following net changes: reductions of \$1.5 million for salaries and benefits and additions of \$8.4 million for grants and assistance, most of which is payments to providers. Of the \$8.4 million net amount, this includes increases of \$10.5 million for unachieved savings for the original amount of global waiver savings associated with DD vouchers and shared living arrangements and \$4.9 million for unachieved Buy Rite savings, which is partially offset by reductions of \$3.8 million for a 4.7% DD provider rate reduction and \$4.5 million for increased supported living/shared living placements.

Integrated Mental Health - Add \$2,727,447. The Governor recommends adding \$2.7 million, including the following net changes: reductions of \$237,170 for salaries and benefits and \$750,000 for utilization savings; increases of \$2.0 million for unachieved savings for the original amount of global waiver savings associated with community mental health programs and \$0.8 million for unachieved rehab grant savings.

Hospitals and Community Rehabilitative Services - Subtract \$197,037. The Governor recommends subtracting \$197,037, including the following net changes: increases of \$951,050 for payroll (most of which is associated with failed housekeeping and food service privatization initiatives) and \$2.9 million for grants and benefits (\$1.6 million of contractual costs shifted to grants and \$1.2 million for medical services; reductions of

\$3.7 million for contracted service (most of which is associated with failed housekeeping and food service privatization initiatives) and \$1.1 million for operating costs.

Substance Abuse - Subtract \$103,573. The Governor recommends subtracting \$103,573 from Substance Abuse programs, including the following net changes: a reduction of \$332,332 for salaries and benefits and an increase of \$230,031 for grants to providers for services.

Corrective Action Plan Savings - Subtract \$6,605,260. In addition to the above adjustments, the Governor recommends corrective action plan savings of \$6.6 million, including \$2.7 million in Developmental Disabilities, \$2.0 million in Mental Health and Substance Abuse programs, and \$1.9million in the Eleanor Slater Hospital System. Of the \$6.6 million amount, \$1.3 million is for an additional DD provider rate reduction of 4.0 percent and \$1.0 million is for a MH pharmaceutical buyback program.

Medicaid Costs not Otherwise Matchable (CNOM) Savings - Subtract \$5.4 million. The Governor recommends Medicaid CNOM savings of \$5.4 million, in \$1.26 million in the Eleanor Slater Hospital, \$617,193 in Developmental Disabilities, and \$3.5 million in Mental Health and Substance Abuse programs. The \$5.4 million amount is associated with program savings retroactive to January 1, 2009.

Federal Stimulus FMAP Rate Savings - Subtract \$6,263,192. The Governor recommends Federal Stimulus FMAP Rate savings of \$6.2 million. This takes into account the increase in federal participation rates (FMAP) by adding percentage points to the current federal participation rate. The Governor's recommended budget **assumes 3.0 percentage points** will be added to the State's FMAP rate in the federal stimulus bill

### **Elementary & Secondary Education**

Education Aid- Subtract \$62,215,477. The Governor recommends a general education aid decrease of \$62.2 million from the enacted level of \$695.7 million. This includes the \$13.6 million in Other Funds for the Permanent School Fund which was not originally enacted in Article 1 of the FY 2009 budget.

The decrease represents reductions equivalent to the following: three-quarters of the required local contribution to teacher retirement by school districts (\$40.7 million) and charter schools (\$0.3 million), overpayments to Providence for school construction reimbursement (\$9.5 million), the Professional Development Fund (\$5.8 million), and an estimate of Permanent School Fund revenue from December 1<sup>st</sup> through the end of the year (\$4.3 million).

Group home aid increases \$330,000 from the enacted level of \$9.5 million. The changes are due to an increase of 22 beds since the FY 2009 budget was enacted: 12 new beds opened, a correction of 9 beds that were excluded from data provided to the department, and 1 because of a data error.



In addition to the reduction mentioned in the general aid discussion, charter school aid decreases by \$739,585 because of the Compass school not enrolling an additional grade of students, Cuffee school postponing its expansion to the high school level, and the International and Kingston Hill schools not expanding to the middle school level. These were partially offset by an increase because of an additional grade at the Learning Community School.

School Housing Aid - Subtract \$2,856,196. The Governor recommends Housing Aid of \$2.8 million less than the enacted level of \$57.0 million. This reflects projects that were not completed as anticipated, including Compass and CVS Highland charter school expansion and renovation projects, Foster-Glocester middle school enhancements, and Hanley Career and Technical School (Providence) renovations.

Teachers' Retirement - Subtract \$30,413,582. The Governor recommends the Teacher Retirement contribution be reduced by \$2.2 million from the enacted level of \$97.0 million to reflect money spent in FY 2008 but not appropriated until FY 2009 to fund previous years' contributions that were erroneously not billed to the state.

The Governor further recommends a reduction of \$28.1 million in line with the proposal to reduce the required rate of contribution for both the state and local governments in FY 2009 to half the rate certified by the Retirement Board.

Rhode Island School for the Deaf - Subtract \$495. The Governor recommends increases in personnel costs of \$105,605 offset by a decrease of \$104,600 in contract services costs, both of which reflect the reversal of the janitor privatization initiative enacted in the FY 2009 budget.

Davies Career and Technical School - Subtract \$64,506. The Governor recommends increases in personnel costs of \$212,959 offset by a decrease of \$246,846 in contract services costs, both of which reflect the reversal of the janitor privatization initiative enacted in the FY 2009 budget. Further savings of \$27,619 are taken from operating accounts reflecting reductions in program supplies and equipment, maintenance and repair equipment, and out-of-state transportation.

Administration of the Comprehensive Education Strategy - Subtract \$216,168. The Governor recommends personnel savings of \$125,475 from eliminating the Office of Instruction and not filling several vacated positions. Additional savings accrue from changes such as the furlough day (\$22,924) and increased medical co-shares (\$36,207). Numerous other shifts between programs and categories mostly offset.

#### **Public Higher Education**

**Personnel subtract \$1,516,250.** The Governor recommends as requested a net reduction in all programs of \$782,577 and a net reduction of COLA and co-share in excess in of general state contracts, with adjustments for assessed fringe benefits and retiree health benefits, in the amount of \$733,673.

**Assistance and Grants subtract \$1,223,991.** The Governor recommends as requested a net reduction in all programs for assistance of \$1,223,991.

**Capital subtract \$1,633,322.** The Governor as requested a net reduction in all programs for capital of \$1,633,322.

**University of Rhode Island**

**Debt service subtract \$150,130.** The Governor recommends as recalculated by the Budget Office debt service of \$150,130 less than the enacted \$12,740,210, or \$12,590,080.

**RI State Council for the Art - Subtract \$189,051.** The Governor recommends personnel savings of \$85,126 from leaving a vacant position unfilled and turnover from two other retirements. In addition, grant savings of \$94,225 are taken to offset one-time restricted revenue grant money from the Arts Lottery scratch-off ticket.

**Public Telecommunication Authority - Subtract \$115,797.** The Governor recommends savings of \$70,000 from reduced operating costs. The Authority is switching over to digital broadcasting in February 2009 and will no longer have rent and electricity costs associated with the analog transmitter. The Authority also had two retirements that will not be refilled as general revenue positions saving \$35,797.

**Corrections**

**Corrections Officer Class Elimination, subtract \$607,381.** The Governor recommends the elimination of a scheduled spring 2009 training class for correctional officers, due to delay in the opening of the Reintegration Center. The savings are in personnel and stipends of \$540,611 and operating (uniforms, office supplies, military supplies) of \$66,770. An existing class have been completed, the graduates of which will be used to fill correctional officer positions as they become vacant.

**Electronic Medical Records System Implementation, add \$205,000.** The Governor recommends as a follow-up to the establishment of a system to create an electronic medical record for each inmate, including medical history, medications, and treatment history, in order to increase both the efficiency and the efficacy of treatment in the face of growing (and aging) inmate population with chronic medical conditions. By hiring outside firms, the Department could more effectively outsource the billing and check preparation process in order to allow the new electronic medical system to transmit the data for reimbursement. The most recent rough estimate of the initial cost would be \$205,000.

**Population-Related Overtime Expenditures, add \$2,238,448.** The Governor recommends an increase from the enacted level to reflect unachieved reductions in the inmate census estimate. Reductions in supervisory (overtime and FICA) costs of several housing units to be closed (including one module at Gloria McDonald Women's, all units except segregation at Dix Women's, two adjoining modules at Minimum Security, and two double modules at the Intake Service Center) were expected as a result of inmate population

reductions of 211 due to the implementation of various earned good time and rehabilitation initiatives. Although a reduction of 147 is attributable to these initiatives, they have been offset by increases in the awaiting trial population. The estimate of the average prison population in the FY 2009 enacted budget was 3,848. The FY 2009 revised population projection is 3,869, an increase of 21 inmates.

**Criminal Alien Assistance (federal offset), subtract \$29,754.** The SCAAP program provides funds to reimburse states for the housing of illegal aliens who have committed crimes in the State. The funds are distributed on a formula based on the number of bed-days and the cost of incarceration in the State. The reduction amount represents a revised grant estimate. The revision makes available more funds in FY 2009 to offset general revenue core costs.

**RIBCO COLA, add \$897,706 net,** consisting of the following changes:

- 1. COLA Retro Revised Estimate, add \$1,906,900.** Based on additional overtime Experience due to the inmate population increase, there is an estimated increase in the COLA retros based on the January 2008 arbitrator's award. The RIBCO COLA Retroactive payments for the FY 2006 award were intended to be carried as an Adjustment back to FY 2008. \$23,507,159 of the total was credited to FY 2008. An additional \$1,806,900, however, those payments made in July-September 2008, Must be expended in FY 2009. In addition, there is an additional retro COLA amount Due to RIBCO employees, who worked three-day rules in FY 2008 and in prior years, as well as FY 2009 to date. An estimate of \$100,000 is included in the recommended budget in FY 2009
- 2. COLA Base Wage Increase, add \$2,197,985.** The FY 2006 wage base increases were budgeted in the salary and benefits natural accounts in various line items. The enacted budget assumed a COLA in parity with that awarded to other unions. The COLA actually awarded was higher than anticipated. The requested total is \$11,809,242, an increase is \$2,197,985.
- 3. COLA Reserve, subtract \$3,207,179.** The FY 2007/FY 2008 COLA reserve are those funds based on the FY 2006 arbitration award to RIBCO. The enacted level of \$3,207,179, due to increases in the award and to increases in overtime cost, has been increased to \$5,862,859, an increase of \$2,655,680. The FY 2007/FY 2008 COLA reserve is not recommended at this time. The budget will include only agreed to salary items.

**Other Payroll Savings, subtract \$4,807,124.** The Governor recommends reduced payroll expenditure due to elimination of positions vacant due to retirement and other factors from the budget. The FTE cap in the revised budget is 1,423, a reduction of 92.0 from the FY 2009 enacted budget of 1,515. The overall reduction of \$8.48 million (including step, longevity, and benefit adjustments, as well as an uncompensated leave day for union position with negotiated agreements) is offset by increased costs due to unachieved privatizations of dental and case management/counseling services (\$42,226), and increased payroll, overtime and sick leave costs of \$3,632,226 due to unachieved contract savings that were proposed by the Department to the arbitrator that were not accepted.

**Population-Related Operating Expenditures, add \$1,107,522.** Per diem operating expenditures (food, linens, inmate clothing, educational/recreation supplies, janitorial supplies, medical) have increased because of a revised population projection, increases costs in various items and unachieved savings that were anticipated from earned good time credit changes and CDC privatization (\$409,258). Pharmaceutical costs have increased by \$532,175. Food and other costs (adjusted for CDC privatization) have increased by \$337,525. Partially offsetting these increases, medical services costs have decreased by \$171,706.

**Clerical Services, add \$171,872.** The Governor recommends additional funds for temporary clerical services to cope with position vacancies and delays in filling clerical positions. Increased expenditure is requested in Administration, the Parole Board (Sex Offender Community Notification), Rehabilitation, Medical Services, and Dental Services.

**Building Maintenance and Repairs, add \$666,374.** The Governor recommends \$1,582,018 in general revenue for general building maintenance and repairs. The request is an increase of \$666,374 from the enacted level of \$915,644. The request is in line with FY 2008 expenditure of \$1,683,807, and FY 2007 expenditure of \$1,566,865. The request is carry forward funds for projects initiated in FY 2008 but not completed.

**Lease Purchase Costs, subtract \$133,091.** The Governor recommends a decrease from the enacted budget for principal and interest payments under the Master Lease COPS program and rental/lease vehicles under the State Fleet Revolving loan program for the acquisition of Department vehicles of \$79,506 in FY 2009. The Governor also recommends a decrease of \$56,184 for equipment leasing costs primarily for copiers.

#### **Judiciary**

**Supreme Court- Subtract \$1,228,600.** The Governor recommends a savings of \$426,791 in personnel, which is related to an increase in the turnover rate due to delays in filling previously vacated positions. A reduction of \$412,471 for the central utilities fund and \$943,563 for the court computer technology improvements is related to historical and actual year to date expenditures. These reductions were partially offset by increases of \$264,393 for contracted professional services and \$289,832 for operating expenses and capital purchases and equipment.

**Superior Court- Subtract \$517,491.** The Governor recommends a decrease of \$680,380 for personnel expenses, which is associated with the delay of filling vacant positions and increases in the turnover rate, and \$36,500 for contracted professional services. Increases included for this program are \$94,429 for operating expenses and \$104,960 for judge's pensions.

**Family Court- Subtract \$462,611.** The Governor recommends a decrease of \$652,429 for personnel expenses, which is associated with the delay of filling vacant positions and increases in the turnover rate. This decrease is partially offset by an increase of \$189,818 for contracted professional services, operating expenses, and judge's pensions.

**District Court- Subtract \$138,664.** The Governor recommends a decrease of \$360,339 for personnel expenses, which is associated with the delay of filling vacant positions and increases in the turnover rate. This decrease is partially offset by \$221,675 for contracted professional services, operating expenses, and judge's pensions.

**Traffic Tribunal- Add \$130,937.** The majority of this increase is related to personnel expenses in Traffic Tribunal, which includes an addition of \$50,000 in overtime and costs associated with actual expenditures.

#### **Military Staff**

**Funeral Honors, add \$149,426.** The Governor recommends \$149,426 in payroll expenditures to fund the R.I. Military Honors program. This program provides state activated guardsmen to conduct an honorable and professional ceremony for all eligible veterans in accordance with federal and State laws. The request is intended to fund firing squads and buglers in cases where the federal National Guard Bureau is now unwilling to provide for according to their regulations.

**Payroll, subtract \$313,820.** The governor recommends a reduction in payroll to be achieved by an uncompensated leave day, increased turnover (due to delayed hiring of two FTE's in the interoperable communications program in Emergency Management) and holding two positions vacant.

#### **Department of Public Safety- subtract \$2,171,156**

##### **Salaries/Wages and Benefits - Subtract \$2,798,714**

- State Police - approx. \$1,735,414 of the surplus is from 12 State Police Troopers that have retired since March of 2008.
- State Police - approx. \$991,881 of the surplus is associated with the Budget Office's recommendation that all retiree health benefits be funded on a pay-as-you-go basis. Based on the current payroll base, and estimated claims, the pay-as-you-go rate of payroll would be reduced from 20.06% to 13.20% in FY 2009 and 20.06% to 14.62% in FY 2010.

##### **Assistance and Grants - add \$561,510**

- State Police- Pension Increase-Pension costs for 37 widow's pensions, 19 disability pensions, 199 regular pensions, and one frozen pension, (Colonial Doherty).

#### **Department of Environment Management – subtract \$1,768,022**

**Salaries and Wages – \$2,305,620** due to 61.0 FTEs that have retired since May 1, 2008. Those positions have been left vacant for FY 2009.

## **Major Federal Fund Changes from the FY 2009 Enacted to the FY 2009 Supplemental Budget**

**In FY 2009, revised expenditures from Federal Funds total \$2,118,900,512, an increase of \$120,973,331 from the enacted budget of \$1,997,927,181. Major changes in Federal Funds by agency are described below:**

### **Department of Administration**

Federal funds in the Department of Administration increase by \$26,641,350. Major changes by program are as follows:

**Human Resources – Subtract \$1,164,373.** Reductions in federal funds in this program are due to changes in the allocation of costs for the HR Service Centers to various funding sources based on work performed by staff.

**Personnel Reform – Add \$15,005,729.** The statewide savings included in the enacted budget for Personnel Reform were budgeted as negative amounts in the Department of Administration, with the intent that these savings be allocated to respective agency budgets as part of the supplemental budget process. This add to the DOA budget is simply the elimination of this negative appropriation relating to federal funds.

**Facilities Management – Subtract \$7,176,387.** Reductions in federal funds in this program are due to changes in the allocation of costs for the Facilities Centralization to various funding sources based on work performed by staff.

**Information Technology – Add \$3,554,237.** Increases in federal funds in this program are due to changes in the allocation of costs for the IT Centralization to various funding sources based on work performed by staff.

**Statewide Planning – Add \$10,053,676.** The largest increase in federal funds in the Statewide Planning program is for the new Neighborhood Stabilization grant to the Office of Housing. This grant provides for the acquisition and rehabilitation of foreclosed properties, placing blighted properties into a land bank for future development and provide down payment assistance to qualified home buyers.

**Pension Reform – Subtract \$9,055,950.** The FY 2009 Revised budget includes savings based on anticipated changes in required retirement contributions, which will occur from changes in retirement eligibility requirements and benefits. The revised budget anticipates reforms to come from a House Pension Commission review of the retirement system and could include changes to minimum retirement age and cost-of-living adjustments.

**Office of Energy Resources – Add \$15,483,672.** The largest increase in the Energy Resources program is the new FY 2009 LIHEAP grant totaling \$25.8 million, which is offset in part by a reduction in the budget amount for the FY 2008 LIHEAP grant of \$11.7 million to bring the budget in line with available remaining funds.

**Department of Business Regulation – Add \$87,641.** The Governor recommends an increase in federal funds due to the carry over of unspent grant award funds within the Office of the Health Insurance Commissioner.

**Department of Labor and Training - Add \$3,412,882.** The Governor recommends an increase in job development, assessment, and training funds to address the high unemployment in Rhode Island.

**Office of the General Treasurer – Subtract \$74,288.** The Governor recommends decreasing federal funds by \$74,288, \$55,929 of which is associated with administrative funding. The General Treasurer receives funds from the Department of Labor and Training to grant administration and reconciliation of bank balances duties.

**Secretary of State - Subtract \$244,852.** The Governor recommends a decrease of \$254,723, which is related to the depletion of federal Help America Vote Act (HAVA) funds in FY 2009. The Governor recommends financing the optical scan voting machine maintenance contracts in both the Board of Elections and the Office of the Secretary of State with the remaining HAVA funds. Excluding the optical scan payment, a total of \$164,424 is recommended within Secretary of State for additional HAVA-mandated expenditures.

**Board of Elections - Subtract \$167,074.** The Governor recommends a decrease of \$167,074 for federal Help America Vote Act (HAVA) funds. HAVA funds have been significantly depleted in FY 2009, the final year they will be available. The Governor recommends financing the optical scan voting machine maintenance contracts in both the Board of Elections and the Office of the Secretary of State with the remaining HAVA funds. For FY 2009, a total of \$495,270 is recommended for this purpose.

**Department of Revenue - Add \$804,502.** The Governor recommends an increase of \$984,871 in federal funds in the Registry of Motor Vehicles for increased expenditures on IT support services and capital purchases. This increase represents an additional expenditure of \$329,027 on PRISM, which is the carry-forward on the PRISM grant, and \$156,870 in Motor Carrier Safety, which are from CDL grants. There is also an increase in capital expenditures for a new Real ID grant of \$500,000, which will be used for computer equipment and capital purchases for this program.

**Executive Office of Health and Human Services- Subtract \$2,878,093.** The Governor recommends personnel expenses be reduced by \$478,712 due to a delay in the transfer of FTE from the outlying five human service agencies. The enacted budget included costs associated with these FTE from July 1, 2008. Many of these transfers will not take place until January of 2009. The savings associated with these transfers in EOHHS have a net

zero balance with increases in the other human service agencies. Contracted Professional Services for educational and training purchases are reduced by \$425,266. The Substance Abuse II grant was transferred to the Department of Mental Health, Retardation and Hospitals effective December 2008, which produced a decrease of \$2,289,438.

**Department of Children, Youth, & Families- Add \$9,838,867.** An addition of \$1,930,044 for personnel expenses is attributable to an enhancement in the penetration rate for Medicaid that is related to administrative costs accounts. An increase of \$7,162,250 is related to the federal portion of the DHS transfer of financing for managed care services, which was offset by decreases associated with the change in the methodology used for billing Medicaid. The majority of the decrease of \$706,651 for contracted professional services is related to the reduction of federal financing in the Title IV-E Direct Service account and for University Services.

**Department of Elderly Affairs – Add \$1,936,644.** The Governor recommends adding \$1.9 million to the FY 2009 enacted level for the Department of Elderly Affairs in the FY 2009 revised budget. Major changes to the FY 2009 enacted level include the following: add \$364,126 for revised current service requirement under Title III (Older Americans Act) supported by unused federal resources of \$323,000 brought forward from FY 2008; subtract \$149,027 for anticipated reduced activities for persons and their families who are victims of Alzheimer's disease; add \$1.8 million for financing under MEDICAID including various costs not otherwise MEDICAID eligible, which include transportation (RIDE) for \$309,831 and the home and community –based co-pay programs for adult day care of \$441,031 and home care of \$594,776. It also includes the Core MEDICAID waiver program of \$267,537 and an anticipated federal stimulus for MEDICAID of \$179,567; add \$132,990 for Health Information and Counseling for the elderly due to increased federal funding.

**Department of Health – Add \$8,968,060.** The Governor recommends adding \$9.0 million to the FY 2009 enacted level for the Department of Health in the FY 2009 revised budget. Major changes to the FY 2009 enacted level by project include the following:

Central Management - add \$1.9 million for Public Health Emergency Preparedness consisting of the following: a) \$752,964 for Pandemic Influenza Planning; b) \$438,302 for Bioterrorism Preparedness; and c) \$673,438 for Pandemic Flu Competitive Proposal; add \$300,000 for costs not otherwise MEDICAID eligible under the Centers for Medicare and Medicaid (CMS) approved Rhode Island Global Consumer Choice Compact Demonstration Waiver for the period 1/1/2009 – 12/31/2013; add \$620,277 for National Bioterrorism Hospital Preparedness Program.

State Medical Examiner - add \$140,834 for increased federal funding, including \$135,017 for the National Violent Death Reporting project and \$29,800 for a new federal award under the Paul Coverdell legislation for forensic science.



Environmental & Health Services Regulation - add \$117,404 for the Public Water Supervision Program due to increased federal funding; subtract \$291,300 for reduced federal revenues under contract with the federal government to inspect nursing facilities and non-long term care facilities, such as hospital, home health, ambulatory, surgical, end-stage renal dialysis, etc.

Health Laboratories - add \$143,710 for increased funding under the Justice Research and Development grant activities related to forensic DNA caseloads and DNA capacity enhancement.

Public Health Information - add \$72,233 for a new federal funding under the federal Safety Belt Performance Grants for health survey of injuries due to motor vehicle crashes; add \$158,596 for renewed federal funding of RTI Health Information Security and Privacy Collaboration, which seeks to identify and eliminate barriers to health information exchange.

Community and Family Health and Equity - add \$1,743,419 for increased federal funding under the Special Supplemental Food program due to higher unemployment and economic recession; add \$289,784 for increased federal funding under authorization of the Childhood Lead Poisoning Prevention and Surveillance Program; add \$1,063,500 for a new federal award under the Substance Abuse and Mental Health program, which provides mental health consultation, education and training to pediatricians and child care providers as well as 12 public schools one college or university and youth-serving community-based organizations; add \$1,691,398 for increased federal funding under programs of the Centers for Disease Control and Prevention to prevent obesity and promote healthy diet and weight; add \$176,147 for additional resources from increased funding of \$77,506 and unused resource from the prior fiscal year of \$98,641; add \$163,450 for increased funding under MEDICAID, including FY 2009 federal stimulus of \$130,882; add \$170,097 for increased federal funding under HIV Formula Grants (Ryan White); subtract \$130,128 for reduced federal funding under the Healthy Schools and Health Kids program; add \$190,329 for increased federal funding of the HIV Prevention Projects; add \$121,855 for increased federal funding under the Preventive Health Block Grant that seeks to promote healthy lifestyle through exercise and nutrition.

Infectious Disease and Epidemiology - subtract \$150,836 anticipated reduced activities for Emerging Pathogens.

**Department of Human Services – Add \$28,821,662.** Major changes by program are as follows:

**Medical Benefits - Add \$7,059,186, consisting of the following:** a decrease of \$19,713,750 relating to the federal share of the transfer of financing for services provided to the residential facilities (Medicaid) population of the Department of Children, Youth, and Families (DCYF). Costs for these services were originally transferred from DCYF to DHS during the FY 2008 budget cycle. After the transfer, however, it was determined that

the DCYF residential facilities did not lend themselves to a managed care model. Therefore, federal financing totaling \$19.7 million is being transferred back to DCYF; an increase of \$19,535,534 for anticipated federal stimulus. This takes into account the increase in federal participation rates (FMAP) by adding percentage points to the current federal participation rate. The Governor's recommended budget **assumes 3.0 percentage points** will be added to the State's FMAP rate in the federal stimulus bill, resulting in \$19.5 million of additional federal financing for Medicaid; decreases totaling \$27,997,368 related to the Department's FY 2009 Corrective Action Plan (CAP). These revisions mirror the federal match on the general revenue reductions taken as a result of CAP initiatives, wherever applicable; increases to federal financing of \$38.0 million, consistent with the November 2008 Caseload Estimating Conference; an increase of \$800,000 for Costs Not Otherwise Matchable (CNOM) under the Early intervention program; savings of \$4,411,314 stemming from initiatives made possible through passage of the Global Consumer Choice Compact Section 1115 Demonstration, including (but not limited to) nursing home diversion, nursing home transition, customization of benefit design, selective networking for pharmacy, implementation of a RiteCare resource test, and various selective contracting programs.

**Family Independence Program - Subtract \$4,794,900;** consisting primarily of a reduction of \$5,000,000 for TANF transportation financing that was erroneously budgeted within FIP as part of the FY 2009 enacted budget. Financing for this program now resides in the Medical Benefits. The residual (increase) relates to the accommodation of caseload levels as adopted by the November Caseload Estimating Conference, and also entails the transfer of federal funds from the Child Care program to FIP/RI Works in order to satisfy TANF Maintenance of Effort requirements.

**Mental Health, Retardation and Hospitals – Add \$16,865,724 department-wide.**

**Developmental Disabilities Program - Add \$11,084,920:** The Governor recommends adding \$11.1 million in federal funds, including \$6.3 million for Medicaid Federal Stimulus funding, \$675,872 for Medicaid Costs Not Otherwise Matchable (CNOM), and \$4.4 million for DD private provider payments.

**Integrated Mental Health – Add \$2,647,638:** The Governor recommends adding \$2.6 million in federal funds, including \$2.3 for Medicaid Costs Not Otherwise Matchable.

**Hospital and Community Rehabilitative Service – Add \$2,928,801:** The Governor recommends adding \$2.9 million in federal funds, of which \$1.3 million is for the Forensic Unit for Medicaid Costs Not Otherwise Matchable and \$1.6 million is for general hospital system operating.

**Substance Abuse – Add \$204,365:** The Governor recommends adding \$204,365, including an increase of \$1.2 million for Medicaid Costs Not Otherwise Matchable, and decreases of \$283,008 for a one-time Data Infrastructure grant, \$427,374 for Medicaid-funded community programs, and \$278,055 for Drug Free School grants.

**Elementary and Secondary Education – Add \$4,668,118.** The Governor recommends a salaries and benefits decrease for the Progressive Support and Intervention program of \$100,240 because of a retirement vacancy that will not be filled. Further recommendations are for a contract services increase of \$2,361,979 with the largest increases coming in the Enhanced Assessment Grants/Consortium program (\$943,206), Special Education programs (\$875,575), and Administration of the Nutrition programs (\$281,447). Recommended assistance and grants increases of \$720,162 are made up of increases in the Math & Science Partnership Program (\$300,000), Vocational & Technical Education (\$136,412), and Project Opportunity (\$283,750). Recommended Aid to Local Units of Government increases of \$1,558,363 are made up of increases in School Lunch (\$1,919,166), School Breakfast (\$514,721), Fresh Fruit and Vegetable (\$609,164), and Vocational Education (Perkins) (\$615,465) programs partially offset by decreases in Special Education (\$1,444,538), and Math & Science Partnerships (\$632,625).

**Public Higher Education – Add \$833,169.** The Governor recommends \$453,170 for the Rhode Island Developmental Disabilities Council to be added to reflect the unit's transfer to the University of Rhode Island, as appropriated by the Legislature and a \$380,012 increase in the Gaining Early Awareness for Undergraduate Education program in the Office of Higher Education.

**Rhode Island Higher Education Assistance Authority – Add \$6,216,242.** The Governor recommends \$5,867,412 more in contractual collection agency services including a \$1.9 million increase from \$3 million to \$4.9 million with Sallie Mae and a \$4.0 million increase to pay for default fees (1%) surcharges to loan providers, previously paid by the Rhode Island Student Loan Authority (RISLA). After FY 2009 these costs will be passed on to consumers.

**Corrections - Add \$610,300.** The Governor recommends additional expenditures in two federal grants, Women's Reentry and High Risk Discharge Planning, reflecting both new grant awards and the carry forward of unexpended FY 2008 funding.

**Judicial – Add \$767,629.** The Governor recommends additional federal financing for contracted professional services, which includes \$220,960 for other temporary services, \$373,025 for IT programming and services, \$108,134 for education and training services, and other minor adjustments throughout the Court System.

**Military Staff - Add \$10,447,866.** The Governor recommends additional funds to reflect the award of new emergency preparedness grants to Emergency Management in the areas of Homeland Security (\$5,301,449), interoperable communications (\$2,566,265), Emergency Management Planning Grant (\$482,878), and other miscellaneous programs (\$437,743 for Buffer Zone Protection, Emergency Operations Center, Map Modernization, and Urban Areas Security for Non-Profit Entities).

**Department of Public Safety - Add \$3,744,335** The Governor recommends appropriation of funding the department has been awarded from Homeland Security grants, which can be used to buy specialized equipment and provide training in regards to

responding to security threats and hazardous material. In addition, the State Police is receiving additional federal funding from the 2007 Intelligence/Information Sharing Initiative Grant in order to provide training for the Rhode Island Fusion Center through training and the purchase of a comprehensive intelligence system and the FY 08 Homeland Security Enhancement Grant for the Cyber Terrorism Task Force and provide portable, mobile and console radio equipment, which will allow the State Police to migrate to RISC.COM.

**Public Defender - Add \$77,121.** The Governor recommends additional expenditure from newly available Byrne Grant funds to offset general revenue payroll costs, as well as the balance forward of unexpended funds from FY 2008.

**Department of Environment Management - Subtract \$3,012,034.** The Governor recommend a reduction in federal funding due to some of 61.0 FTEs that retired since May 1, 2008, which were funded by federal funds, along with the reexamination by the department regarding what projects could realistically be completed with federal funds in FY 2009, along with the department receiving additional federal funding for environmental services.

**Coastal Resources Management Council - Add \$181,159.** The Governor recommends additional funding of university and college purchased services for studies to be conducted by URI funded by the federal Coastal Zone Management grant. The total grant increases by 4205,659 from the enacted level.

**Department of Transportation – Add \$2,632,123.** Major changes by program are as follows:

**Central Management - Subtract \$4,666,118.** The decrease is primarily related to overbudgeting of several National Highway Safety grants within the division. The largest reduction occurs in capital purchases and equipment for a total of \$5,340,300, which is offset by an increase of \$742,000 in assistance and grants and a reduction of \$81,118 in salaries and wages due to one vacant position.

**Infrastructure Engineering - Add \$7,298,241.** The increase is primarily related to an increase of \$13,820,000 within federal highway funds primarily within the capital purchases and equipment category, which includes the division's construction program costs. The increase in federal highway is offset primarily by a reduction of \$8,088,576 in federal transit grant funds in order to reflect the current construction timeline of the commuter rail project.

## **Major Restricted Receipt Changes from the FY 2009 Enacted to the FY 2009 Supplemental Budget**

**In FY 2009, revised expenditures from Restricted Receipts total \$152,706,210, an increase of \$203,232 from the enacted budget of \$152,502,978. Major changes in Restricted Receipts by agency are described below:**

### **Department of Administration**

Restricted Receipts increase by \$3,988,419 in the Department of Administration. Major increases by program are as follows:

**Debt Service – Subtract \$342,495.** This reduction is comprised of an increase of \$870,894 in TANS investment earnings, offset by a reduction of \$1,149,727 in debt service on the DMV Technology project. The debt issuance for the new DMV computer system has not taken place as of the time of the supplemental budget submission and thus no debt service will be due during FY 2009. The restricted account is receiving revenue from the \$1.50 surcharge on all DMV transactions, but there will be no expenditures from this account until FY 2010.

**Personnel Reform – Add \$3,105,787.** The statewide savings included in the enacted budget for Personnel Reform were budgeted as negative amounts in the Department of Administration, with the intent that these savings be allocated to respective agency budgets as part of the supplemental budget process. This add to the DOA budget is simply the elimination of this negative appropriation relating to restricted receipt funds.

**Capital Projects and Property Management – Add \$929,303.** This increase is the result of the change of the Building Contractor's Registration Board from a general revenue funded program to restricted receipts. This is in accordance with legislation passed during the 2007 session of the General Assembly which made the effective date of this change July 1, 2008. The FY 2009 enacted budget, however, failed to make this change and thus it is being accomplished in the supplemental budget.

**Information Technology – Add \$691,719.** Increases in restricted receipts in this program are due to changes in the allocation of costs for the IT Centralization to various funding sources based on work performed by staff.

**Pension Reform – Subtract \$1,966,166.** The FY 2009 Revised budget includes savings based on anticipated changes in required retirement contributions, which will occur from changes in retirement eligibility requirements and benefits. The revised budget anticipates reforms to come from a House Pension Commission review of the retirement system and could include changes to minimum retirement age and cost-of-living adjustments.

**Office of Energy Resources – Add \$1,448,219.** This increase is due in part to a federal settlement with American Electric Power that provides \$240,000 to the State for weatherization projects. In addition, the office is projecting approximately \$1.2 million

more from the Regional Greenhouse Gas Initiative allowances auction to be used for administrative costs and renewable energy projects.

**Department of Business Regulation - Add \$162,317.** The Governor recommends that \$164,100 be added in restricted receipts to the Insurance Regulation program. This change is caused by increased use of actuary services of \$219,100, offset by decreased use of clerical and temporary services of \$70,000. These services are 100% reimbursable, and are required to perform mandated rate filings.

**Secretary of State - Subtract \$142,505.** The decrease is related to lower than anticipated receipts from the Historical Records Trust restricted receipt account. The Historical Records Trust restricted receipt account is not projected to have enough resources to finance the full cost of operating the State Archives division. As a result, various expenditure items have been transferred to the State Archives general revenue account.

**Office of the General Treasurer – Subtract \$3,015,611.** The Governor recommends reducing restricted receipts by \$3.0 million. Expenditures in the Unclaimed Property Program are expected to decrease by \$3.2 million because of the change in liability associated with the program.

**Executive Office of Health and Human Services - Subtract \$1,283,873.** The Governor recommends a decrease in personnel expenses related to a delay in the transfer of FTE from the outlying five human service agencies. The enacted budget included costs associated with these FTE from July 1, 2008. Many of these transfers will not take place until January of 2009. The savings associated with these transfers in EOHHS have a net zero balance with increases in the other human service agencies. Other personnel savings are attributable to adjustments in the cost allocation plan.

**Department of Elderly Affairs – Add \$200,000.** The Governor recommends adding \$200,000 in restricted receipts funding to the FY 2009 enacted level to support increased funding of the Rhode Island Pharmaceutical Assistance to the Elderly (RIPAE) Program for savings in general revenues in order to align available general revenues to state service costs.

**Department of Health – Subtract \$768,613.** The Governor recommends withdrawing \$768,613 in restricted receipts funding from the FY 2009 enacted level. Major changes from the FY 2009 enacted level include the following:

Central Management - subtract \$1.2 million for lower than anticipated revenues for indirect cost recovery assessments; add \$300,000 for costs not otherwise MEDICAID eligible under the Centers for Medicare and Medicaid (CMS) approved Rhode Island

Global Consumer Choice Compact Demonstration Waiver for the period 1/1/2009 – 12/31/2013; add \$620,277 for National Bioterrorism Hospital Preparedness Program

Environmental and Health Services Regulation - subtract \$287,737 for anticipated reduced billings for actual time spent on certification and oversight of health plans and utilization review agencies under the auspices of Managed Care Regulation.

Community and Family Health and Equity - add \$464,776 to support expanded costs for the newborn screening program, which screens for hearing loss, developmental risk and other inherited conditions. Revenues are derived from billings to health insurers.

**Mental Health, Retardation and Hospitals – Add \$668,101.** The Governor recommends adding \$668,101 in restricted receipts to the Developmental Disabilities program for the cost of rent charged to clients. Monthly supplemental security income payments received by the residents are deposited into the restricted receipt account to funds group home operating costs.

**Department of Public Safety – Add \$401,000.** The Governor recommends additional forfeited property receipts be appropriated as restricted receipts.

**Department of Environment Management - Subtract \$660,238.** The Governor recommends a reduction of \$660,238 primarily related to some of 61.0 FTEs that retired since May 1, 2008, which were funded by restricted receipts.

**Water Resources Board-add \$109,817.** The Governor recommends additional funds in FY 2009 to complete payments to contractors for the Supplemental Water Study.

## **Major Other Funds Changes from the FY 2009 Enacted to the FY 2009 Supplemental Budget**

**In FY 2009, revised expenditures from Other Funds total \$1,624,367,606, an increase of \$131,899,784 from the enacted budget of \$1,519,422,915. Major changes in Other Funds by agency are described below:**

### **Department of Administration – Subtract \$47,321,084.**

Other funds in the Department of Administration increase by \$47,321,084. Major changes by program are as follows:

**Human Resources – Add \$635,522.** Increases in other funds in this program are due to changes in the allocation of costs for the HR Service Centers to various funding sources based on work performed by staff.

**Internal Services Funds – Add \$32,492,878.** The largest increase among internal service funds is in the retiree health fund, which increases by \$25.1 million based on funds budgeted for retiree health and anticipated payments by retirees. Other changes include \$2.3 million in the State Fleet Replacement Revolving Loan fund to budget funds unspent from the prior fiscal year and \$10.0 million in the Assessed Fringe Benefit fund, primarily due to increased severance payments from extraordinary retirements earlier this fiscal year.

**Personnel Reform – Add \$22,804,270.** The statewide savings included in the enacted budget for Personnel Reform were budgeted as negative amounts in the Department of Administration, with the intent that these savings be allocated to respective agency budgets as part of the supplemental budget process. This add to the DOA budget is simply the elimination of this negative appropriation relating to other funds.

**Legal Services – Subtract \$224,082.** This reduction is due to lower projected receipts from the Department of Transportation for legal services provided by the centralized legal group in DOA.

**Facilities Management – Add \$3,104,546.** Increases in other funds in this program are due to changes in the allocation of costs for the Facilities Centralization to various funding sources based on work performed by staff.

**Information Technology – Subtract \$736,214.** Decreases in other funds in this program are due to changes in the allocation of costs for the IT Centralization to various funding sources based on work performed by staff.

**Pension Reform – Subtract \$6,074,607.** The FY 2009 Revised budget includes savings based on anticipated changes in required retirement contributions, which will occur from changes in retirement eligibility requirements and benefits. The revised budget anticipates reforms to come from a House Pension Commission review of the retirement



system and could include changes to minimum retirement age and cost-of-living adjustments.

**Department of Labor and Training**

**Income Support - Add \$107,645,445.** The Governor recommends adding additional funding of \$107.2 million for anticipated temporary disability payments and unemployment benefit payments to reflect the very high unemployment rate due to the economic recession.

**Department of Revenue**

**Lottery Division – Subtract \$15,190,552.** The Governor recommends the reduction of \$15,190,552 in other funds. This reduction is due to a \$326,818 reduction in personnel costs for 6.4 positions remaining vacant for most of the year; a \$288,464 reduction in contract services due to lower expenditures for financial services; and a reduction of \$13,823,438 in commission payments made by the Lottery, which fell by due to lower projected revenues as estimated at the November Revenue Estimating Conference. Other operating expenses also fell by \$506,680, due to lower building maintenance and repairs, utility costs, and insurance costs.

**Department of Health - Add \$102,015.** The Governor recommends unused resources of \$85,162 brought forward from FY 2008 to finance the cost of an environmental health study related to the T. F. Greene Airport in Warwick, Rhode Island.

**Mental Health, Retardation and Hospitals – Subtract \$3,686,563.** The majority of the decrease in other funds in MHRH is a \$3.2 million reduction in RICAP funding for the hospital consolidation project. This project has experienced delays and thus the full appropriation of \$3.7 million will not be required in the current fiscal year.

**Elementary & Secondary Education - Add \$2,847,925.** The Governor recommends adding Rhode Island Capital Plan funding in the following amounts: \$1,150,800 for Davies School roof repair, \$875,000 for Davies School HVAC, \$82,400 for Davies School asset protection, \$280,851 for School for the Deaf, and \$275,250 for the Shepard's Building air quality project.

**Public Higher Education – Add \$24,211,919.** The Governor recommends adding \$12.2 in salaries and benefits as requested by the Board of Governor's across all three institutions. This increase reflects retroactive COLA of 1.25 percent for FY 2008 and a 2.5 percent increase for FY 2009 for faculty and staff. The Governor also recommends adding \$5.1 million from the Rhode Island Capital Plan Fund for completion of the Center for Bio-Technology at the University of Rhode Island, and a net of \$1.9 million for asset protection and other project balance forwards. The Governor also recommends adding federal student aid increases of \$4.6 million at the University of Rhode Island and

\$2.6 million at the Community College of Rhode Island. Finally, the Governor recommends school debt service decreases, as requested, mostly at URI where a decrease of \$4.3 million includes general and housing and residential life.

**Attorney General – Add \$472,726.** The Governor recommends an increase in RICAP funding to enable the Attorney General's Office to complete the replacement of the transformer and elevator capital projects.

**Corrections - Add \$243,683.** The Governor recommends \$1.1 million in additional RICAP funds for asset protection projects and the Maximum Security renovation project, offset by expenditure transfers to FY 2010 for other projects (Bernadette Guay, Women's Bath Renovations, Women's Roof Masonry Renovations, State Match-Reintegration Center).

**Military Staff - Add \$1,332,881.** The Governor recommends additional RICAP funding for Military Staff projects, reflecting the carry forward of unexpended FY 2008 funds and additional property acquisition closing cost expenditures for the Quonset Hangar project.

**Department of Environment Management – Add \$1,778,397.** The Governor recommends \$1,377,730 in additional RICAP funding for some of DEMs' capital projects: Fort Adams Rehabilitation, Recreational Facilities Improvements, Newport Pier upgrades, Dam repairs throughout the state, the Rose Hill Landfill Superfund site, the Jamestown Fishing Pier, and Galilee Pier upgrades. The Governor also recommends \$400,000 for the Retrofit Heavy-Duty Diesel Vehicle account which is funding transferred in from the Department of Transportation's federal fund: Congestion Mitigation and Air Quality (CMAQ). DEM will utilize these funds to develop and implement a program to retrofit diesel school busses statewide, with the goal, intention to reduce air pollution from diesel engines through cost effective retrofit technologies.

**Coastal Resources Management Council - Subtract \$1,655,509.** The Governor recommends postponement of the final settlement payment for the Providence River Dredging project state cost share from FY 2009 to FY 2010, pending completion of further work on the project. This project is funded from the Rhode Island Capital Plan Fund.

**Department of Transportation – Subtract \$5,463,992.**

Other funds in the Department of Transportation decrease by \$5,463,992. Major changes by program are as follows:

**Management and Budget - Subtract \$810,467.** The Governor recommends a decrease of \$41,610 within personnel, primarily related to a reduction of FTE's due to retirements. A reduction of \$949,273 within contracted professional services relates to the completion

of the Department's Oracle financial management system, as well as the eligibility of Plexus contract services for federal highway funds and GARVEE funds.

**Infrastructure Engineering - Subtract \$4,053,404.** Of the total decrease in other funds, a net increase of \$888,769 represents changes in the gasoline tax. A decrease of \$1,545,326 in gasoline tax within personnel relates to a reduction of FTE's taken due to several retirements within the division. An increase of \$96,015 occurs in operating supplies and expenses for various items. An increase of \$495,000 is recommended to finance State Police details enforcement of weight limits on Bridge 550 in Pawtucket. The largest increase occurs in RIPTA for a total of \$1,119,356 in order to recognize the transfer of 0.5 penny currently dedicated to the Underground Storage Tank Fund to RIPTA. The total value of these additional resources to RIPTA for FY 2009 is \$2,237,500 or one half of the current gasoline tax yield estimate of \$4,475,000. This is offset by the November 2008 Revenue Estimating Conference per penny gasoline tax estimate reduction from \$4,630,000 in the enacted budget to \$4,475,000 in the recommended FY 2009 revised budget. A total increase of \$721,250 relates to operating transfers to GARVEE/motor fuel worth 2.0 pennies of the gasoline tax. Although the November Revenue Estimating Conference reduced the yield by \$155,000 per penny of the gasoline tax, this adjustment is being made due to an incorrect enacted budget for the GARVEE/motor fuel account. The reduction in overall other funds is primarily due to a decrease of \$3,598,459 due to the current construction timeline of the I-195 project in which financing of I-195 land sale revenue is being pushed back to FY 2010.

**Infrastructure Maintenance, Subtract \$594,895.** Of the total decrease in other funds, a net increase of \$496,428 represents changes in the gasoline tax. A decrease of \$1,846,885 in gasoline tax relates to a reduction of FTE's taken due to several retirements within the division. This increase is offset by a \$1,736,088 increase in operating supplies and expenses primarily within the Winter Maintenance account for a total of \$1,505,686 as well as increases of \$175,200 for vehicle lease payment costs within the Vehicle Maintenance account. A total of \$1,000,000 in other revenue sources for Utility Permit Application fees has been eliminated as a failed initiative. The fees had been recommended in order to finance electricity costs for highway lighting. The Governor recommends an increase of \$475,000 in operating transfers for the operation of the Welcome Center, which is transferred to the Economic Development Corporation. A total net decrease of \$662,000 in other funds relates to changes in RICAP fund recommendations for two projects. The Governor recommends an increase of \$200,000 to finance maintenance facility improvements, which is offset by a decrease of \$862,000 for the East Providence Maintenance Facility Relocation project in order to reflect the current timeline for the project.